News in Australia
Impartiality and commercial influence

Review of literature and research

Centre for Media Transition
January 2020

Commissioned by the Australian Communications and Media Authority
Centre for Media Transition

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We investigate key areas of media evolution and transition including journalism and industry best practice, new business models and regulatory adaptation. We work with industry, public and private institutions to explore the ongoing movements and pressures wrought by disruption. Emphasising the impact and promise of new technologies, we aim to understand how digital transition can be harnessed to develop local media and to enhance the role of journalism in democratic, civil society.

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Suggested citation: Centre for Media Transition 2020, News in Australia—Impartiality and commercial influence: Review of literature and research University of Technology Sydney, NSW.

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Introduction

News is an important source of information for Australians and provides a key role in our democracy. However, recent changes in the media environment have been significant, changing the nature of news globally. In Australia, news is also evolving, as are consumer attitudes and consumption patterns.

Within this context, the Australian Communications and Media Authority (ACMA) announced in April 2019 that news would be one of its compliance priorities in 2019–20. The ACMA is undertaking a work program to determine whether current community safeguards are delivering news and journalistic content that meets community expectations and supports an open, pluralistic democracy in Australia. It is focused on four key issues in relation to news: commercialisation, impartiality, diversity and localism.

As part of the ACMA research program 2019-20, the Centre for Media Transition (CMT) was commissioned to conduct a review of literature and research to provide a comprehensive understanding of the contemporary media environment in relation to those four key issues.

The additional context of this work is the review of the ACMA that was conducted by the Department of Communications and the Arts (DoCA) which identified several public interest policy objectives relating to news that continue to be relevant in a changing media environment. These include access to services and participation in society; diversity of voices; and values and safeguards that reflect community standards. The final report was published in May 2017. Complimentary work is also being undertaken by the Australian Competition and Consumer Commission (ACCC) as part of the Digital Platforms Inquiry (and for which CMT has provided a separate, commissioned research report).

Research task

The principal objective of the ACMA research task was to identify and analyse relevant evidence on Australian consumer use and attitudes to news and current affairs within the four topic areas of commercialisation, impartiality, diversity and localism.

This report covers the topics of commercialisation and impartiality. The release of material related to diversity and localism will be confirmed by the ACMA.

Specific research questions were provided in each of these topic areas as a guide to aspects of interest to the ACMA. These research questions are reproduced at the start of each chapter in this report.

A secondary objective was to locate relevant international research that considers Australian and (to the extent possible within the constraints identified below) international literature that would assist in understanding the issues identified by the ACMA.

The third dimension of the research task was to refer to relevant recent secondary material (for example, articles from academic literature) that reflects upon the consumer issues, or helps to explain aspects of the contemporary media environment relevant to those issues.
While the research task did not call for a comprehensive interpretation of the Australian and international research, the task was to identify and comment on gaps in the current literature, especially in relation to Australia, and to include additional information that does not specifically address the research questions but which might assist the ACMA in understanding the issues.

Methods and constraints

The project involved desk-based research only, with most of the work conducted in the period May to July 2019.

The review was designed to be largely based on research published in the past five years (i.e., 2014 to 2019), referencing older material where, for example, there was a key source of consumer research that had not been reproduced more recently. The review incorporates work published up to July 19, 2019. (Hence the final report of the ACCC's Digital Platforms Inquiry is not incorporated; however, research commissioned by the Digital Platforms Inquiry is included.)

In broad terms, the literature review covers academic, policy and industry resources. The categories of literature comprise:

- Quantitative and qualitative primary consumer research
- Secondary consumer research and analysis
- Interpretive or analytical work that contains, or is based on, consumer research findings or data
- Critical commentary on the topics
- Industry data on consumer experience or behaviours.

The policy literature includes selected parliamentary inquiries, although given time constraints these were not assessed in a comprehensive way. Resources published by regulatory authorities in selected other jurisdictions were also reviewed (including the Federal Communications Commission in the US and Ofcom in the UK, and resources from New Zealand, Canada and the EU). With the international literature, the focus was on topics for which there was an absence of Australian research.

The review did not include general literature such as autobiographical accounts by media industry practitioners or interviews with stakeholders and the report does not include recommendations for regulatory change.

In relation to consumer survey results in particular, every effort has been made to ensure that data and any analysis of data presented in this report includes important notes about the data source to enable the reader to interpret findings appropriately. However, in some instances there are additional notes to better understand the data that should be referred to in the original source. Some notes on key sources referred to in this report are provided in the Appendix.

It should be noted that as the scope of the project is limited to news and current affairs, research on, for example, aspects of commercialisation in feature films or television drama, is not included. Numerous ways of defining ‘news’ and ‘current affairs’ as well as ‘journalism’ are found in the academic literature and in legal and regulatory instruments. In
addition, while ‘news and current affairs’ is the term generally used in the broadcast environment, ‘news and comment’ is often used in referring to print and online media. Accordingly, this report does not attempt to give an overall definition of these terms; however, a definition of ‘current affairs program’ in relation to commercial radio (which helps to explain the difference between the two concepts) is provided in the definitions section of Chapter 1. A further explanation of various meanings of these terms can be found in the CMT’s report for the ACCC.

The project was completed in two stages. The first stage comprised the production of a bibliography of materials relating to the four topic areas. Search strategies were devised to cover both the academic and policy literature. This involved databases available from the UTS library (Academic Search Complete (EBSCO), INFORMIT, SAGE, ProQuest) as well as Google Scholar, along with searches of relevant websites (such as those of international regulators).

The draft bibliography was supplied to the ACMA for comment, following which the research team reviewed the materials in the bibliography. When all the material was available, the researchers conducted a preliminary gaps analysis and provided a draft of the report to the ACMA for comment. The report was finalised by the CMT, taking account of the ACMA feedback.

**Structure of this report**

The bulk of this report is arranged according to the specific topic areas supplied by the ACMA.

Each of these chapters begins with a list of the specific research questions provided by the ACMA to scope the review of each topic. It is followed by a short set of bullet points summarising the key findings, followed by some important definitions. The chapters for the most part follow a common structure, providing information on practices, attitudes, concerns and research around managing that aspect via policy or regulation.

The key findings at the start of both chapters are brought together to form the Executive Summary. In the Conclusion, CMT provides some overall observations, principally related to the identified gaps in research. As noted above, the Appendix contains additional comments on the methodology used by some of the key consumer surveys.

As the research topics are designed to assist aspects of the ACMA work program, it was not intended that this report be published as a single source. Where there are observations or comments on the literature and research, they are those of the CMT and should not be taken to represent the views of the ACMA, its employees or the government.

*Derek Wilding and Peter Fray*  
*Co-Directors, Centre for Media Transition, November 2019*
Executive Summary

Overall context

This report addresses two specific topics of concern in the shifting news environment – commercialisation and impartiality. Some background points about the media environment in Australia help to establish the context for this review of the literature and research.

- Television news is still the most general source for Australian news consumers, with 66% saying they watch TV news and 42% saying it is their main source of news. This compares to 52% of news consumers using online news and 25% saying this is their main source. Results for other platforms are as follows: social media/blog is 46% for general news source and 18% for main news source; radio is 37% for general news source and 9% for main news source; newspaper is 28% for general news source and 6% for main news source (Fisher, Park, et al. 2019, pp. 26-7).

- Use of media type varies considerably by age, with the two main sources of news for the youngest group of news consumers (aged 18-21) being social media/blog (47%) and online news (24%), whereas the two main sources for the oldest group (aged 73+) are television (57%) and newspapers (19%) (Fisher, Park, et al. 2019, p. 27).

- Despite the movement of consumers and revenue from traditional to digital media, broadcasters and print publishers are prominent providers of news websites: in a list of the top 20 most used websites in 2017, only one provider (BuzzFeed) had no links to traditional media (Roy Morgan 2018d).

- More than half of Australian news consumers (52%) access news more than once a day and two thirds (66%) agree that news keeps them up to date (Fisher, Park, et al. 2019, pp. 25, 19).

- In terms of the media fulfilling its ‘watchdog’ role, only 44% of Australian news consumers agree that the news media monitors and scrutinises powerful people and businesses; however, attitudes vary with generation and with the type of news consumed. People who rely on social media – and tend to be younger – are less likely to agree (34%), whereas people who rely on newspapers – and tend to be older – are more likely to agree (59%) (Fisher, Park, et al. 2019, p. 57).

- It appears news literacy in Australia is quite low. One study found that only 51% of Australian news consumers ‘understood that the ABC is free of advertising and funded by taxpayers’. This study also suggested that ‘news consumers with higher literacy can distinguish humour from other types of fake news such as poor journalism, political spin and advertising’ (Park et al. 2018, p. 48).
Commercialisation

- As news production and consumption have moved to digital formats, advertising revenue has moved away from print and broadcasting. This shift is reflected in the research environment – particularly for commercialisation – with relatively little attention to evolving practices in print and broadcast news media. There is now some research into ‘embedded content’ (English & Fleischman 2019; Hanusch, Hanitzsch & Lauerer 2017; Macnamara & Dessaix 2014), with Macnamara & Dessaix suggesting newer forms of commercial content may be better understood through a framework of public relations than traditional advertising. By contrast, the attention given to native advertising is perhaps explained by its status as the most important source of revenue for many digital newsrooms (Carson & Muller 2017, p. 5).

- Research commissioned by the Australian Broadcasting Authority almost 20 years ago (Brand & Pearson 2001) found that over 85% of Australian adults thought that commercial sponsors are either very influential or somewhat influential in relation to news. This is reflected in recent research (Park et al. 2017, p. 12) that found less than 28% of news media consumers think news media is independent from undue business or commercial influence most of the time.

- There is no recent equivalent of Australian research published by the ACMA on concerns about commercial content on commercial radio: the aspect that had the highest rate of concern (76%) was ‘advertising that is integrated with the content of a program in a way that is not distinguishable from the other content’ (ACMA 2010).

- Some insight into consumer attitudes can be gained from international research into native advertising and other forms of commercialisation of digital content. A survey conducted in 2015 of 2,313 UK news consumers and 2,588 US news consumers found that if brands ‘start introducing native advertising to the more serious news content areas, it would have a damaging impact on their perceptions of the news organisation’ (Newman, Levy & Nielsen 2015, p. 105). A 2018 survey found that 43% of news consumers were very or extremely concerned about ‘advertisements that look like news stories’ (Newman et al. 2018, p. 20). The level of concern appears to vary according to the type of news content e.g., entertainment or travel news compared to politics (Interactive Advertising Bureau & Edelman Berland 2015, p. 10).

- There is mounting evidence of the difficulties Australian consumers face in detecting advertisements that look like news stories. However, these competencies are difficult to measure and usually require qualitative research. One study found that teenagers are not confident that they are able to spot fake news (Notley et al. 2017, p. 30), while another found that young people are more skilled at detecting commercial content (Ad Standards 2018, p. 44).

- There is conflicting evidence of the effectiveness of disclosure statements. International research shows that even with various disclosure labels, overall recognition of native advertising is low – at 9% in one nationally representative study in the US (Amazeen & Wojdynski 2018), 32.1% in another (Wojdynski 2016a) and 40% in another (An, Kerr & Jin 2018, p. 11).
Impartiality

- A survey in 2018 found that the characteristics that were most important to adult Australians when deciding which news providers to trust were accuracy of reporting (93%) followed by neutrality and unbiased nature of the reporting (at 90%) and that ‘the news provider is independent from political and/or government interests’ (73%) (Roy Morgan 2018b, p. 19). The second most mentioned reason for avoiding news, for 40% of adult Australians was, ‘I feel that news content is biased towards a particular ideology’ (Roy Morgan 2018b, p. 21).

- In 2017, an Australian study found only 31% of Australian news consumers agree with the statement that media is independent from undue political or government influence most of the time (Park et al. 2017, p. 12). Further, those who don’t think the news media helps them separate fact from fiction have highlighted issues of bias, sensationalism, and vested commercial/political interests (Park et al. 2017, p. 63).

- In the same year, a study of nine countries including Australia showed that for those news consumers who do not trust the news media one of the main reasons is bias, spin, and agendas (67%) (Newman & Fletcher 2017, p. 5).

- Focus groups consistently reveal that many Australians care deeply about issues of impartiality, bias and the separation of fact-based and opinion-based news content (McNair et al. 2017, p. 138). However, perceptions of bias can be subjective and are influenced, for instance, by political orientation (Fisher, Park, et al. 2019, pp. 64-72).

- Content analysis of news reports is limited but some research into the Australian media’s reporting of climate change reveals significant partiality (Bacon 2011; Foxwell-Norton 2017; Lidberg 2018). However, a study of political content covering eight years to 2007 found that in the content of articles, ‘most media outlets are close to the centre position’ (Gans & Leigh 2012, p. 140).

- The international research is more extensive. In the UK, research conducted by Ofcom showed 90% of adults aged 16+ think it is important that TV news sources are impartial, compared to 52% for social media (Ofcom 2017b, p. 68).

- Research by the Pew Center has shown that many people in the US are poor at distinguishing between fact and opinion statements (Pew Research Center 2018a). However, Americans, like others, do want their news media to separate facts and opinion and they do want unbiased news media, in a study across 38 countries, a median of 75% said it is never acceptable for a news organisation to favour one political party over others when reporting news (Pew Research Center 2018c, p. 3).

- Further, a study involving newspaper reports in Germany found that users take impartiality into account, along with relevance and diversity, when judging the quality of news content (Urban & Schweiger 2014).

- News users are also concerned about ‘false balance’, by which journalists include diverging viewpoints in stories, sometimes without evidence or facts in support of their positions, such as on vaccine safety and climate change (Kohl et al. 2016; Ofcom 2019b).
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1 Commercialisation

The research questions

• To what extent do consumers perceive there to be commercial influence in Australian news and journalism? On what platforms and sources have they perceived commercial influence and in what forms?

• Have consumers perceived changes in the levels of commercial influence in news?

• What are the associated levels of consumer concern?

• What effect does commercialisation have on consumers’ perception of the quality and authoritativeness of news?

• What is the capacity of viewers to detect different types of commercial influence in news and editorial content? Including differences across different types of news consumers (by demographics or news usage patterns).

• How do consumers think commercial influences should be managed? Do consumers believe disclosure to be an adequate safeguard? Should disclosure be required? For which types of commercial relationship? What kind of disclosure and where?

• What are the effects of disclosure of commercial influence and other transparency measures on audience perceptions of bias/their trust in news/authoritativeness?
1.1   Key Findings

Much is changing in how and where consumers come into contact with commercial content, either explicit or potentially disguised. As a result, attitudes and uses are also altering.

- As news production and consumption have moved to digital formats, advertising revenue has moved away from print and broadcasting. This shift is reflected in the research environment – particularly for commercialisation – with relatively little attention to evolving practices in print and broadcast news media. There is now some research into ‘embedded content’ (English & Fleischman 2019; Hanusch, Hanitzsch & Lauerer 2017; Macnamara & Dessaix 2014), with Macnamara & Dessaix suggesting newer forms of commercial content may be better understood through a framework of public relations than traditional advertising. By contrast, the attention given to native advertising is perhaps explained by its status as the most important source of revenue for many digital newsrooms (Carson & Muller 2017, p. 5).

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- There is mounting evidence of the difficulties Australian consumers face in detecting advertisements that look like news stories. However, these competencies are difficult to measure and usually require qualitative research. One study found that teenagers are not confident that they are able to spot fake news (Notley et al. 2017, p. 30), while another found that young people are more skilled at detecting commercial content (Ad Standards 2018, p. 44).
There is conflicting evidence of the effectiveness of disclosure statements. International research shows that even with various disclosure labels, overall recognition of native advertising is low – at 9% in one nationally representative study in the US (Amazeen & Wojdynski 2018), 32.1% in another (Wojdynski 2016a) and 40% in another (An, Kerr & Jin 2018, p. 11).

1.2 Definitions

Cash for comment: The term ‘cash for comment’ arose out of practices in the commercial radio industry that were the subject of a public inquiry conducted by the Australian Broadcasting Authority (2000) in 1999-2000. Presenters of commercial radio current affairs programs were paid by sponsors for favourable editorial comment, without these financial arrangements being disclosed to listeners. The Broadcasting Services (Commercial Radio Current Affairs Disclosure) Standard 2012 (‘the Disclosure Standard’) now requires disclosure of arrangements between sponsors and either presenters or licensees. The Commercial Television Industry Code of Practice 2018 (clause 4.1.1) requires disclosure where, under a commercial arrangement, a factual program ‘endorses or features a third party’s products or services’.

Current affairs: As noted in the Introduction, this report does not seek to define ‘current affairs’ or ‘news’ in general, but an indication of the distinction between the two can be seen in the definition of ‘current affairs program’ (for the purposes of regulating disclosures of sponsorship arrangements in commercial radio) in s 4 of the Disclosure Standard, as follows: ‘a program a substantial purpose of which is to provide interviews, analysis, commentary or discussion, including open-line discussion with listeners, about current social, economic or political issues’.

Embedded content: Macnamara and Dessaix explain that ‘embedded content’ refers to marketing and promotional messages which are inserted into media content in covert ways (Macnamara & Dessaix 2014). Various terms are used to refer to this practice, including sponsored content and integrated content, and can take the form of paid interviews, brand stories and sponsored storylines in drama programs. ‘Native advertising’ is perhaps the most prominent current example.

Fake news: See definition in Chapter 2 on Impartiality.

In-feed advertising: In-feed advertising is a type of native advertising. These advertisements ‘look like news content seamlessly integrated into social media platforms’ (An, Kerr & Jin 2018, p. 3).

Infomercial/Advertorial: A report for the New South Wales Fair Trading Advisory Council in 2002 (Wilson, Jeffrey & Wood 2002, p. 7) defined ‘infomercial (or advertorial)’ as ‘an advertisement that is styled as a presentation of information for interest or entertainment’. An Australian Press Council Advisory Guideline on Advertorials (June 2005) uses the following definition:

‘Advertorial’ is the term for newspaper and magazine content that looks like editorial content but is published under a commercial arrangement between an advertiser, promoter or sponsor of goods and/or services and the publisher.
Native advertisements: ‘Native advertisements aim to provide readers the feeling that they are consuming editorial content, instead of commercial messages’ (Krouwer, Poels & Paulussen 2017, p. 124). ‘This is paid ads that match the news outlet’s page content, overall design and is consistent with its platform behaviour’ (Carson and Muller 2017, p. 5).

Persuasion Knowledge (PK): PK is a term/acronym commonly used in the literature to denote users’ awareness of the presence of commercial influence in content. The Persuasion Knowledge Model ‘posits that as consumers are repeatedly exposed to persuasion attempts, they begin to recognise them as such and become less engaged with material, discount current spokespeople, or are distracted from the intended messages’ (Attaran, Notarantonio & Quigley Jr 2015, p. 716).

Product placement: Section 9 of the Ofcom Broadcasting Code (‘Commercial References in Television Programming’) includes extensive provisions about product placement. In an explanation on its website, Ofcom provides the following useful examples in relation to television(<https://www.ofcom.org.uk/tv-radio-and-on-demand/advice-for-consumers/television/product-placement-on-tv>):

Product placement is when a company pays a TV channel or a programme-maker to include its products or brands in a programme. For example: a fashion company might pay for a presenter to wear its clothes during a programme a car manufacturer might pay for a character to mention one of its cars in a scene in a drama.

In the UK, no placements of any type are permitted during children’s and news programs (Eagle & Dahl 2018).

Stealth advertising: ‘The encroachment of commercially tinted messages into broadcast news segments. For example, advertising of a product may be packaged as business, technology news’ (Chernov 2010, p. 33).

Surreptitious advertising: This is defined in section 9.3 in Ofcom’s Broadcasting Code as follows:

Surreptitious advertising involves a reference to a product, service or trade mark within a programme, where such a reference is intended by the broadcaster to serve as advertising and this is not made clear to the audience. Such advertising is likely to be considered intentional if it occurs in return for payment or other valuable consideration to the broadcaster or producer.

Video News Releases (VNRs):

Pre-packaged video news reports produced by public relations firms, advertisers, marketers or government agencies that are often presented seamlessly into television newscasts. VNRs are intended by their producers to promote certain commercial products and services, or individuals and ideas (Newell, Blevins & Bugeja 2009, p. 207).

1.3 Commercialisation practices

1.3.1 Platforms and products where consumers see commercialisation

The literature on the Australian media environment reflects what is widely known here and overseas: media ecology is changing, from print and appointment viewing to online and on-demand. As consumption patterns and channels change, so do attempts to reach
consumers and commercialise the news. Advertisers’ budgets are shifting to spend more on digital media platforms such as YouTube and Facebook than on TV and print (Park et al. 2017, p. 34):

The commercial news media in Australia continues to rely on ad spends for profit and the capital to produce the news content that Australians demand. Advertisers, however, show no such loyalty to media publishers. As audiences change the media channels they consume, advertisers are quick to follow them; hence the profitability and fate of media publishers depend on where audiences turn to next for content (Park et al. 2017, p. 34).

The 2019 Digital News Report found that Australia is close to the global average in terms of online consumers paying for online news (14%) and there is a gradual growth in ongoing digital news subscriptions (7%) and donations (3%) (Fisher, Park, et al. 2019, p. 39). However, while there is increasing willingness to pay directly for digital news content, ‘the most common way commercial organisations receive reimbursement for producing news content is by selling advertising placements to advertisers wanting to reach those audiences’ (Park et al. 2018, p. 88). This means consumer use and engagement with online news is more exposed to the influence of a variety of online commercial influences (Park et al. 2017, p. 34).

This drift in revenue and audiences from broadcast and print to online appears to be matched by a re-set in research themes: there is little recent research into the influence of commercial practices in news and current affairs (as distinct from other formats such as lifestyle programming, described below). These trends are discussed in the gaps analysis at the end of this chapter and also in the conclusion, but for now two points should be noted.

First, the research on digital platforms and formats, while not directly applicable to broadcast and print, needs consideration in order to understand the ways in which news consumers now approach commercial content. This is complicated by the fact that the content accessed on social media may be news content adapted from print or broadcast sources. Despite this difficulty, one indication of the growing importance of social media as a news source is offered by the recent finding that social media is now the main source of news for 18-21 year-old news consumers and for 22-37 year-old news consumers, with online news the second-most used source for both groups (equal with television, in the case of 18-21 year-olds) (Fisher, Park, et al. 2019, p. 27). In addition, as the chart below shows, from 2018 to 2019 there was an increase for both these groups in the proportion of people nominating social media as their main source of news (Fisher, Park, et al. 2019, p. 27).

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1 The Digital News Report (DNR) filters out all respondents who state they have not accessed news in the past month. Participants are recruited via email and surveys are completed online. The data is weighted to reflect the adult population based on census data. In this report we adopt the approach used by the DNR and discuss the results as reflective of ‘news consumers’. Further information is provided in the Appendix of this report.

2 These groups are referred to as Generation Z (Post-millenials) and Generation Y (Millenials) respectively. The other groups identified were Generation X (aged 38 to 53), Baby Boomers (aged 54 to 72) and ’73+’ which combines the Silent Generation (aged 73 to 90) and the Greatest Generation (aged 91+) (Fisher, Park, et al. 2019, p. 96).
Second, although there is a dearth of recent Australian research on the blurring of commercial and editorial content in news and current affairs, warnings sounded when cash for comment was a more prominent issue may have renewed relevance. Lesley Hitchens (2004) warned that the lack of action to tackle commercial influence in commercial broadcasting may render it ‘irrelevant to the democratic process’ and its role in public discourse will become ‘increasingly marginalised or discredited’. In a similar vein and around the same time, media legal scholar Mark Pearson (2000), predicted ‘prosecutions and private actions’ over the truthfulness of claims made in advertorial and promotional materials in the wake of the cash for comment scandal. Neither prediction has come to pass, in perhaps the expansive way the authors suggested. While time has moved on – and the practices have been subject to some regulatory oversight – the debate about the influence of commercial content on the integrity of news provisions remains a live issue in industry publications and in forums such as the ABC TV program, Media Watch, which continues to record practices adopted by commercial television, commercial radio and print media.
Native advertising

Broadcast and print news media have traditionally kept editorial and advertising content separate, making active efforts to enforce this separation to maintain an image of objective and independent editorial (Conill 2016). Breaking from this tradition, native advertising in the online environment is on the rise, particularly on social media (Conill 2016, p. 904).

A useful Australian review of international research on a new suite of commercial practices such as brand stories and paid interviews or reviews (variously described as 'native content', 'content marketing', 'embedded content', etc) was conducted in 2014 by Jim Macnamara and Anita Dessaix. In explaining how commercial influence may be better approached by way of an appreciation of public relations, rather than simply as advertising, they distinguish these new practices from traditional public relations practices, as follows:

Press releases, interviews offered as part of publicity campaigns, and products offered to review and/or use by media compete for the attention of and acceptance by journalists and program producers and may be rejected if they are not perceived as having any news or human interest value (i.e. some editorial independence is maintained). Embedded content discussed here is guaranteed publication or broadcast based on prior agreement (Macnamara & Dessaix 2014, p. 9 emphasis added).

Other Australian research that is now a decade old also noted that native advertising builds on the legacy of advertorials as print advertisements that may be 'disguised as editorial material' (Dix & Phau 2009, p. 415). This research placed native advertising in the context of similar practices such as product placements, sponsored journalism and advertiser-produced programming (Dix & Phau 2009, p. 415).

There does not appear to be a current estimate of the value of native advertising to the Australian industry, but some research does indicate that native advertising has emerged as the most important source of revenue for many digital newsrooms in Australia including Junkee, Pedestrian and BuzzFeed (Carson & Muller 2017, p. 5). In light of this, the dearth of Australian research on the subject of native advertising is surprising, especially as qualitative research by Ad Standards shows that consumers do risk being annoyed by advertising dressed as journalism, including on social platforms, such as Facebook (Ad Standards 2018, p. 15).

Internationally, the practice of native advertising is growing, with the US market valued at $4 billion in revenue in 2013 and a projected value of $21 billion in 2018 (Wojdynski 2016b, p. 3). In 2017 native advertising made up 20% of overall advertising revenue at news media organisations and is projected to grow to 36% by 2021, as shown in the chart below (Laursen & Jacob 2018, p. 16).
Figure 1.2 Percentage of overall advertising revenue coming from native advertising

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>18%</td>
</tr>
<tr>
<td>2017</td>
<td>20%</td>
</tr>
<tr>
<td>2021</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: (Laursen & Jacob 2018, p. 16)

The appeal of native advertising is seen to result partly from the limitations of traditional advertising methods, as users become accustomed to seeing ads in the same formats and places, they cease seeing them. This is known as ‘ad avoidance’ or ‘banner blindness’ (Cornwell & Rubin 2019, p. 5206). For this reason, marketers have developed native advertising which they believe works best when consumers do not know they are looking at an advertisement. Ads become ‘more deceptive, unnoticed and therefore un-avoided’ (Cornwell & Rubin 2019, p. 5206). This form of advertising is prevalent in digital news media, as demonstrated by a content analysis finding ‘advertising articles from the New York Times, Wall Street Journal, Washington Post, and Slate mirror the content of traditional journalism’ (Cornwell & Rubin 2019, p. 5206, referencing Warnick 2016).

In this form of advertising, paid-for content sits side-by-side with regular content, often in a similar format as standard posts, making it very difficult to recognise. In 2014, The New York Times published a 1,500-word native advertisement for the television program, Orange is the New Black. The advertisement took the form of a news article on female incarceration, supplemented by video, statistics and charts (Newman, Levy & Nielsen 2015, p. 102). This form of advertising is said to risk blurring the line between advertising and editorial content, making it particularly controversial (Newman, Levy & Nielsen 2015, p. 19).

Concerns about the use of native advertising are considered below. One related aspect of industry practice that is worth noting is the possible impact of ad blocking software. Thomas (2018, p. 39) posits a ‘secondary consequence’ of ad blocking is the move to more native advertising due, in part, to its current ability to side step ad blocking software.

**Product placement**

There appears to be little or no available current Australian research which looks at product placement in news content. What commentary there is appears most likely to be found in popular vehicles, such as Media Watch, which recently aired a segment concerning a promotion for an air cleaning product dressed up and broadcast within a commercial news bulletin (Australian Broadcasting Corporation 2019b). However, this review was limited to news and current affairs and therefore did not include research into product placement in other program formats. Australian researchers Macnamara and Dessaix (2014, p. 4) note that ‘in most cases product placement has been confined to entertainment media and it has been visible and fairly easily detected by media consumers’, giving the example of branded drinks used by judges on a talent program.
Lifestyle journalism

Lifestyle journalism is essentially material prepared by journalists on topics such as travel, food, beauty and fitness (see Hanusch, Hanitzsch & Lauerer 2017, p. 146). There is some blurring of the lines between this material and ‘news’, but it is included here because some lifestyle journalism is found within news publications and programs, even if it also is found in, say, a dedicated travel program. Hanusch et al (2017) conducted interviews with 89 lifestyle journalists in Australia and Germany to assess commercial influences on their work. Of the sample, there was only one radio journalist and one television journalist in Australia, but there were seven working for newspapers. The journalists reported influences including pressure from public relations firms for coverage and ‘freebies’ in return for favourable comment. The study concluded that influences vary across different types of lifestyle content, with travel, personal technology and fashion being the most heavily affected (p. 155). Financial security of the journalist and of the publisher were also factors, with the researchers observing that ‘traditional broadsheet newspapers and public service broadcasters appear to be less severely affected by commercial influences than specialist magazines’ (p. 155). While observing that the walls between editorial and commercial aspects of the business are eroding, the authors question the assumption that the type of content should conform to the standards of, say, political reporting. They argue for further consideration of the norm of editorial independence to formats that have developed under different ethical traditions to ‘Fourth Estate’ reporting (p. 155-6).

In contrast to the approach of Hanusch et al, which used interviews with journalists, English and Fleischman (2019) conducted a content analysis of 550 restaurant reviews in four newspapers in the UK and Australia. The Australian sample comprised 289 reviews from The Weekend Australian and The Sydney Morning Herald. They found ‘there are aspects of independent, detached journalism, as well as the presence of marketing and promotional elements’ (p. 89) but overall ‘there were more positive judgements than critical ones’ (p. 100) and described the ‘often generous marking schemes’ (p. 101). The finding that critics are ‘more inclined to praise in their ratings than dismiss’ is said to support the view that marketing, commercial and promotional elements are all influences (p. 101).

Although, as the authors note, this last study requires additional work to understand the environment in which commercial influences are present, it points to a related aspect that does not appear to be a part of the recent literature, at least in relation to news and current affairs: the ways in which expectations of future advertising may influence coverage of matters such as supermarket or petrol prices or tourism-related events.

Video News Releases

The use of video news releases (VNRs) is one of the few practices for which there is research into the influence of commercial content in broadcast news and current affairs. VNRs are news reports designed to promote commercial services or products, or individuals and ideas. However, studies on VNRs mainly come from the US and Canada, and there has also been very little research in this area over the past decade. The use of VNRs by US Government agencies was declared illegal in May 2005 (Newell, Blevins & Bugeja 2009, p. 207). A 2006 US study by the Centre for Media and Democracy tracked 36 VNRs over ten months and found ‘77 US television stations used them on 98 separate
occasions without attribution, making them appear to be the stations’ own reporting’ (Newell, Blevins & Bugeja 2009, p. 208, referencing Farsetta & Price 2006).

Stealth advertising

Though dated, Canadian research on ‘stealth advertising’ (see Definitions, above) is worth noting. Chernov conducted a study throughout 2007 and 2008 using a combination of content analysis of 114 Canadian evening newscasts and in-depth interviews with news directors and sales managers. This study found that ‘private television stations used more explicit and aggressive stealth advertising than publicly owned ones’ (Chernov 2010, p. 31). Public broadcasters aired ‘about one commercially influenced message per newscast while privately owned news stations aired approximately 2.5 such messages’ (Chernov 2010, p. 39). These are commercially influenced messages broadcast during news segments, not during regular commercial slots. In-depth interviews with news directors found that they did not feel they experienced pressure to include commercially influenced stories, and they did not feel they had blurred the line between advertorial and editorial content. Chernov concludes that this ‘suggests that the way news directors define commercially influenced content (and they do not admit that they have stealth advertising stories) warrants further exploration’ (Chernov 2010, p. 41).

1.4 Consumer attitudes to commercial content

Researching consumer attitudes to different types of commercialisation practices remains largely reliant on overseas research. Australian research is available when discussing broader questions regarding concerns about commercialisation and how this is impacting audience relationships to news media (see section 1.5, below). However, that research does have some limitations in either being out-of-date or in terms of the questions asked.

1.4.1 Attitudes to different types of commercial content

Advertorial

A 2015 US study examined reactions of 311 university students to information delivery in print magazines through editorial, advertorial and advertising content. Information conveyed in each was evaluated. Not surprisingly, editorials were perceived to be more credible than advertorials and advertisements. Purchase intention was also higher for editorials than the other two categories. Selling intent was clearly perceived in advertisements and advertorials, but not in editorials. This is said to pose ethical issues, as consumers may be misled into believing there is no intention to sell or promote a brand in the editorial (Attaran, Notarantonio & Quigley Jr 2015, p. 717).

Native advertising

An online survey conducted in 2015 of 2,313 UK residents and 2,588 US residents found that if brands ‘start introducing native advertising to the more serious news content areas, it would have a damaging impact on their perceptions of the news organisation’ (Newman, Levy & Nielsen 2015, p. 105). However, less ‘serious’ news areas such as travel, fashion and entertainment were deemed more suitable for native advertising. The impact of using native advertising on news organisations and brands is shown in the table below.
Figure 1.3 Impact of advertising on perceptions of brand and news organisations

<table>
<thead>
<tr>
<th></th>
<th>Brand in Ad</th>
<th>News org</th>
<th>Brand in Ad</th>
<th>News org</th>
</tr>
</thead>
<tbody>
<tr>
<td>More positive</td>
<td>10%</td>
<td>11%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Neither nor</td>
<td>68%</td>
<td>62%</td>
<td>72%</td>
<td>66%</td>
</tr>
<tr>
<td>Less positive</td>
<td>22%</td>
<td>28%</td>
<td>21%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Q: How does advertising like this impact on your perceptions of the news organisation and the brand being talked about in the advert? Base: All who saw this kind of sponsored content in online news sites UK=1374, US=1761.


A 2014 nationally representative US study conducted by the Interactive Advertising Bureau divided 5,000 participants into three groups based on whether they mainly visit business (n=1,622), entertainment (n=1,648) or general (n=1,730) news sites. Participants were exposed to real-world examples of in-feed native advertising on general, business and entertainment news sites. This study found that ‘business and entertainment news users are highly receptive to in-feed sponsored content if it is relevant, authoritative and trustworthy’ (Interactive Advertising Bureau & Edelman Berland 2015, p. 10); general news users are less receptive. Of the three groups, the perception that sponsored content adds value to site experience was lowest among general news readers, at 27%, although it was below 50% for all groups, as shown in the chart below. This research on native advertising mirrors 2004 research by Yang and Oliver regarding different forms of advertisements and the finding that consumers are more receptive to advertising alongside soft news rather than hard news stories (Yang & Oliver 2004).
A qualitative study conducted in The Netherlands used usability testing and semi-structured interviews of 24 participants to understand ‘whether, when and how readers recognise mobile native advertisements, and their underlying thoughts when they are looking at a native advertisement’ and their ‘perceptions of native advertising in mobile news environments’ (Krouwer, Poels & Paulussen 2019a, p. 6). This study found readers to be either neutral or positive about the incorporation of native advertising into a news app. This is in part because readers felt able to recognise the advertisements for what they were. The news app tested was free, and readers understood that the advertising allowed them to access news for free, so they were more open to advertising. Readers wished to maintain the separation between journalists and advertisers to ensure trust (Krouwer, Poels & Paulussen 2019a).

There is no equivalent research in Australia, though a study by Park et al in 2016 found that 40% of Australian news consumers agreed that they ‘were prepared to see advertising “in exchange” for free access to news content’, 32% neither agreed nor disagreed, and 28% disagreed (Park et al. 2016, p. 21).

**Product placement**

Although there appears to be a paucity of consumer research about product placement in Australian news media, there is research on consumer perspectives outside the direct terms of reference, such as around the ethics and acceptability of product placement within film (Brennan, Rosenberger III & Hementera 2004).

**1.4.2 Commercialisation and perceptions of quality, authoritativeness, trust**

Some of the points above can be brought together with other research to provide some key findings on the relationship of commercialisation to consumer perceptions of quality, authoritativeness and trust in news media organisations. These include:
A 2009 survey found that ‘concerns that suggest blurring [advertising and editorial content] leads to reduced media credibility and reduced consumer confidence in advertising appear to have waned’ (Dix & Phau 2009, p. 420) compared with a 1993 study. However, the media consumers surveyed were drawn exclusively from a sample of graduates from a large Australian university, not a national representative sample, making these results less applicable to the national population. There seems to be no updated Australian data on consumer perceptions speaking specifically to this question; however, the literature on native advertising indicates that concerns about blurring reducing media credibility may remain.

The separation of journalists from the creation of advertisements is important to maintain trust in news media (Krouwer, Poels & Paulussen 2019a).

Editorials are perceived to be more credible than advertisements or advertorials, highlighting the ethical dilemma of advertorials/native advertisements often being perceived as editorial content (Attaran, Notarantonio & Quigley Jr 2015).

An online poll of 4,124 respondents found that almost half of Democrats and more than three quarters of Republicans agree that ‘mainstream media is more interested in making money than telling the truth’ (Frost, 2019, p. 71).

Some research has found that disclosure practices can play a key role in determining attitudes to commercialisation (see ‘Managing Commercial Content’ below).

The use of native advertisements in high quality news media outlets reduces perceptions of quality of that outlet (Bachmann, Hunziker & Rüedy 2019). In particular, high brand presence within native advertisements lowers the perceived credibility of news sites (Krouwer, Poels & Paulussen 2017). However, ads are perceived to be more acceptable when shown alongside soft news stories rather than hard news stories (Interactive Advertising Bureau & Edelman Berland 2015; Newman, Levy & Nielsen 2015; Yang & Oliver 2004). There is however some contrary data with a 2013 survey of 257 individuals in the US finding that ‘the presence of native advertising had no significant effect on the viewer’s perception of credibility’ of news websites (Howe & Teufel 2014, p. 78).

It is also important to consider issues of commercialisation in relation to the continuing decline in trust in media overall. The Digital News Report: Australia 2019 showed that general trust in news dropped from 50% in 2018 to 44% in 2019 (Fisher, Park, et al. 2019, p. 75). The non-commercial ABC continues to be Australia’s most trusted news brand (Fisher, Park, et al. 2019, p. 79). Australian news consumers believe that public service media helps increase ‘political knowledge and political participation, and has a positive impact on trust, knowledge, diversity and social cohesion’ more so than private media (Bowd et al. 2017, p. 5, referencing Nielsen et al. 2016). This study also noted a ‘positive relationship between strong public service media and strong private sector media’ (Bowd et al. 2017, p. 5, referencing Nielsen et al. 2016), and that Australia is one of the countries where this relationship is strongest.

Australian consumers appear to be especially influenced by their pre-existing beliefs about a news product. In an environment of almost unlimited ‘news’, a trusted brand
and perceived alignment between editorial values and those of the reader are more important to Australian consumers surveyed than consumers in other countries surveyed (Deloitte 2015, p. 55).

- There appears to be a difference in how consumers regard the trustworthiness of advertisements and editorial content and this appears to vary across platforms, as shown in the following chart published as part of 2019 research by industry body NewsMediaWorks. The chart breaks down trust in content (pink) and ads (purple) on the different platforms.³

![Figure 1.5 Consumer trust in content and ads](chart)

*Source: (NewsMediaWorks 2019, p. 9)*

Finally, a further way of framing perception of commercial influence is the extent to which any such influences are likely to be exposed by acts of journalism – and whether those acts are themselves compromised by the economic pressures faced by the news media. Carson (2014, p. 740) argues that in the early part of the 21st century the amount of investigative journalism has not so much diminished but shifted away from the specific area of business or corporate investigative work. She argues that the political-economic environment of newspapers impacted specific genres of investigative stories:

> Scrutiny of the corporate and financial sector by Australia’s daily broadsheets diminished and was commensurate with newspapers' political-economic environment, characterised by falling revenues, decreased print circulations and staff cutbacks (Carson 2014, p. 740).

**Attitudes to paying for news**

As noted earlier, investment in advertising is increasingly shifting online. The Reuters 2016 *Digital News Report* reported that in Australia ‘newspapers have dropped from 27% to 14% of total ad spend since 2009, whereas online has risen from 17% to 35%. By 2019 internet advertising is expected to reach 50% of total ad spend’ (Newman et al. 2017, p. 78). However, most publishers around the world believe that advertising will not be an adequate source of revenue to produce consistently high-quality news, and so are encouraging users to pay for content directly (Newman et al. 2018, p. 22). Willingness to

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³ This research is reported as having been conducted via an online questionnaire by IPSOS with 2,503 Australians aged 18+ and being nationally representative. However, a detailed methodology is not provided.
pay for online news content across different countries is shown in the chart below. Australia is the third most willing country (20%) and above the all-market average by 6%.

**Figure 1.6 Paid for online news in the last year**

![Chart showing paid for online news in different countries. Australia is highlighted with a 20% willingness to pay.](image)

*Source: (Newman et al. 2018, p. 22).*

Other surveys confirm the majority of Australian consumers are not willing to pay for news. Deloitte’s Media Consumer Survey (2018, p. 24) found that 40% of Australians were prepared to pay for online access to movies to avoid advertising. For access to news, that figure dropped to 22%. This figure is echoed with 61% of regional Australians surveyed by the Centre for Media Transition who ‘value local news but were not prepared to pay for it, though older Australians appear more willing to pay than other group’ (Fray 2018, p. 3). Despite the low willingness overall, there does appear to be an upward trend. The 2018 Deloitte Media Consumer Survey figure is an improvement on the 2015 figure when 89% of Australians were not willing to pay for news ‘because we believe there is enough information available for free’ (Deloitte 2015, p. 55). While the overall figures for each category are low, the 2019 *Digital News Report* survey has also found an increasing number of news consumers are paying for online news compared to 2016 with 7% in 2019 making an ongoing payment for a digital news service compared to 4% in 2016 (Fisher et al, 2019, p.39), as indicated in the figure below.

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4 This research was based on complete valid responses from 266 regional Australians earning $40,000 or more. The sample is representative of the broader Australian population residing in regional and rural areas in terms of age, gender, wealth segment and state/territory, with an approximate margin of error of +/-3.6%.
It is not clear whether this gradual change in consumer behaviour is related to concerns about the impact of commercialisation, however Park et al note:

Interestingly 25% of those paying for online news in Australia say their primary motivation is to ‘help fund journalism’ and there are relatively high levels of donations for news in Australia. For these people at least there is a strong affinity with their chosen news sources, as well as an awareness of the precariousness of commercially funded news and a willingness to do something about it (Park et al. 2017, p. 16).

1.5 Consumer concerns about commercial content

1.5.1 Scope of concerns about commercial content

Research directly examining the extent to which consumers perceive commercial influence in Australian news, journalism and current affairs is not abundant, but there are some valuable studies conducted over the last two decades. (As there is a relatively small number of these and they directly address the issue of consumer concerns, reference to them is included here.)

In 2001, a study comparing Australian journalists’ and audiences’ views on news utilised surveys with 100 news producers and with 1,620 Australian adults; in-depth interviews with elite journalists; and focus groups with the wider community of Australians. This study found that audiences perceive that big business and commercial sponsors were two of the three groups, along with media owners, to have the most influence on news journalism (Brand & Pearson 2001). The table below demonstrates the rate of perceived influence of various stakeholders, including big business, commercial sponsors and small business. It

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5 This journal article uses research originally commissioned by, and published in full as a report of, the Australian Broadcasting Authority (Australian Broadcasting Authority 2001).
shows that at the time of the survey (almost two decades ago), over 85% of the Australian public\textsuperscript{6} thought that commercial sponsors are either very influential or somewhat influential in relation to news.

A later survey of 730 women found that individuals were more concerned with video news releases than product placement in entertainment programs, although there was not a large difference between the two. Concern for both was not significantly high, possibly due to respondents reporting that they felt they were ‘media savvy’ and could confidently identify and interpret marketing (Newell, Blevins & Bugeja 2009, p. 212).

In research conducted by IpsosCT at the end of 2009 (published by the ACMA in 2010), 1,214 commercial radio listeners aged 17 years and over were surveyed online about concern over various aspects of advertising and sponsorship practices in commercial

\textsuperscript{6} The survey of the public was carried out over the phone using a random probability generator with targets set for geographic regions so that survey response totals were proportionally representative of Australian state and territory population totals.
radio. The aspects that had the highest rates of concern (see Figure 1.9) were ‘advertising that is integrated with the content of a program in a way that is not distinguishable from the other content’ (76%); ‘a presenter gives favourable commentary about a company or business during a talkback program because it is a contractual obligation for them to do so under their sponsorship arrangement’ (73.2%); and ‘a presenter voices advertising from a script provided by a sponsor in the course of their commentary or discussion on current social, political or economic issues’ (73.8%) (ACMA 2010, p. 40).

As Figure 1.9 shows, on two measures relating directly to news:

- just over 50% of commercial radio listeners expressed concern about a finance report being ‘fully produced by a bank or other investment institution for broadcast by a commercial radio station as part of a news report’
- only 38% of commercial radio listeners expressed concern at the suggestion that ‘a company sponsors a news report on commercial radio’.

In more recent research, the 2017 Digital News Report sought to explore commercial interest issues. It had two key observations:

1. 22% of Australian news consumers did not believe that the traditional news media did a good job in helping them distinguish fact from fiction. When given a chance to justify that belief the responses highlighted ‘issues of bias, sensationalism, and vested commercial/political interests’ (Park et al. 2017, p. 63).
2. Only 28% of Australian news consumers agreed with the statement that Australian media is independent from undue business or commercial influence most of the time. 37% of Australian news consumers neither agreed or disagreed with the proposition (Park et al. 2017, p. 12).

Research for the Australian Competition and Consumer Commission (ACCC) the following year (Roy Morgan 2018b) found:

Just under a third of Australians aged 18+ reported that the issue they are mostly concerned about in the news is ‘stories that are made up for political or commercial reasons’ (29%) followed by misleading news commentary (19%). The issue of least concern is ‘doctored photographs’ (2%) (Roy Morgan 2018b, p. 24).

In this last study, the classification of commercial and political influences in the same category dilutes the value of the data for the purposes of this literature review on commercialisation.

Also in 2018, Ad Standards conducted a combined qualitative and quantitative study involving a seven-day online discussion board with 35 participants, and an online survey of 1,027 Australians, aged 13+, weighted to be representative of the Australian population. This study explored, among other things, levels of concern regarding the distinguishability of online advertising. The survey reported that almost half (49%) of Australians aged 13+ considered that advertising was not clearly distinguishable as such sometimes; 17% thought this was the case frequently; and 3% believed it to be the case always. Despite this perceived lack of clarity of advertising content, the majority (71%) were either neutral, not very concerned or not at all concerned about this, as shown in Figure 1.10 below (Ad Standards 2018, p. 64).

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7 It should be noted that there is some confusion in the reporting of these figures, with conflicting statistics given in the text of the Digital News Report 2017 preceding page. The figures used in this report are the ones taken from the graph provided by the authors.
This study also found that while 20% of Australians 13+ were recently exposed to ads they thought were unacceptable, only 5% suggested that ads were unacceptable because the advertising was not clearly distinguishable as such.

Finally, the research found that

- most participants in the qualitative component of the research felt that advertising on social media and online platforms ‘has increased and become more intrusive over the last few years’ (Ad Standards 2018, p. 14)
- ‘rather than concerned, participants felt annoyed and frustrated to find out that content they had clicked on – thinking it was genuine content – turned out to be advertising’8 (Ad Standards 2018, p. 14).

A specific practice that consumers do appear to be concerned about was identified in research conducted in 2015 by Deloitte:

Consumers are still wary of commercial presence on social platforms and how their opinions are curated. Fifty nine percent of us are concerned with the use of our posts and tweets for promotional purposes (Deloitte 2015, p. 7).

It is important to note that this research by Ad Standards and by Deloitte was asking about concerns with advertising in general, not about advertising in news.

As there is Australian research on consumer concerns, international research has not been charted in this report, but an Ofcom survey is worth noting on account of its comparison of concerns relating to television, and two studies noting concerns about native advertising help to show current levels of consumer understanding of practices relating to commercial content.

While not looking into concerns about news specifically, the Ofcom survey found that 37% of adults (16+) with a TV in the household have concerns about what is on television, but only 7% have concerns about advertising and sponsorship (Ofcom 2018a, p. 99). For adults who go online concern about advertising on the internet is at 11% which is the

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8 The report of this research does not provide a breakdown of these results.
highest point it has been during the past five years, as shown in the chart below (Ofcom 2018a, p. 100).

**Figure 1.11 Concerns about the internet among users: 2011-2017**

![Chart](chart.png)

Source: Ofcom Adults’ Media Literacy Tracker 2017

IN17. Can you tell me if you have any concerns about what is on the internet? (unprompted responses, multi-coded)
Base: Adults aged 16+ who go online (1553 in 2016, 1570 in 2017)
Arrows show significant changes (95% level) between 2016 and 2017

Source: (Ofcom 2018a, p. 101)

Earlier research from Ofcom showed that in 2016 one-third of internet users said they dislike all online advertising (Ofcom 2017a, p. 135); this rose to two in five internet users in 2017 (Ofcom 2018a, p. 164).

The Reuters Institute 2015 *Digital News Report* surveyed 2,149 UK residents and 2,295 US residents and looked into 'consumer attitudes towards sponsored content and native advertising' (Newman, Levy & Nielsen 2015, p. 19). This study, which was conducted as a two-country comparison within the broader global survey, summed up some common attitudes and concerns among consumers around commercialisation in news media. The survey found that 33% of UK news consumers and 43% of those from the US have ‘felt disappointed or deceived after reading an article they later found had been sponsored’ (Newman, Levy & Nielsen 2015, p. 103); in both countries half of news consumers don’t like sponsored content but accept it for free news; and a quarter feel less positively about brands because of sponsored content or native advertising. This specific question on sponsored content and native advertising has not been repeated in more recent Digital News Reports.

Concerns related to native advertising from an advertising industry perspective were explored by the Native Advertising Institute (NAI), an entity dedicated to helping marketers be successful with native advertising. NAI has released an annual report into native advertising trends in news media each year since 2016. The 2018 report surveyed 148 news media executives from 53 countries. Nine per cent of respondents reported they do
not label native advertising (Laursen & Jacob 2018, p. 49). This survey found that 30% of respondents are concerned about poor labelling, 30% are concerned about the lack of separation of the editorial and commercial sides of business, and 21% are concerned about the practice being associated with fake news. The graph below shows the full range of concerns reported.

Figure 1.12 Q: What do you consider the biggest threat to native advertising?

Source: (Laursen & Jacob 2018, p. 47)

Also of note in the above table is the fact that ad blocking is seen as a threat to native advertising.

**A case study: consumers and alcohol — how clear is commercial influence?**

Health researchers Fogarty and Chapman (2013) set out to understand the impact of stories about the dangers of excess alcohol consumption on news consumers and potential policy solutions, looking especially at increased taxation. Their Australian focus group-based work in 2012 found a clear understanding of alcohol-related problems but a muddier appreciation of policy solutions. Several group members were indeed conflicted and to some extent, confused by the links between alcohol sponsorship of sporting events, Australia’s drinking culture and their own enjoyment of sport. While not explicitly quizzing participants about the influence of alcohol companies, the study clearly points to the difficulties news consumers may have in articulating the level of commercial influence on the news and potential measures to compact it.
1.5.2 Dissatisfaction with advertising overall

It is possible that increasing use of ad blocking software in Australia is an indication of dissatisfaction with online advertising. As shown in the graph below, the number of news consumers who have installed ad blocking software has increased from 24% in 2016 to 33% in 2018. Furthermore, there is some difference across demographics, with younger news consumers being more likely to use an ad blocker: 47% of under-35-year-olds currently use one (Park et al. 2018, p. 76).

The chart below shows the rate of use of ad blockers in different countries with Australia being one of the high-growth countries.

Ofcom found some differences across demographics, as ‘adults aged 35-44 are more likely to use ad blocking filters or software to stop seeing some types of online adverts (35% vs. 27%) while those aged 55-64 are more likely to use a firewall (50% vs. 41%)’
Overall, almost half of internet users said they have taken some form of action to avoid seeing online ads as shown in the chart below (Ofcom 2018a, p. 165).

Figure 1.15 Steps taken by internet users to avoid online adverts: 2016-2017

Source: Ofcom Adults’ Media Literacy Tracker 2017
INSO. Which, if any, of the following steps have you taken to avoid seeing online ads? (prompted responses, multi-coded)
Base: All adults aged 16+ who go online (1553 in 2016, 1579 in 2017)
Arrows show significant changes (95% level) between 2016 and 2017

Source: (Ofcom 2018a, p. 166).

1.5.3 ‘Fake news’ advertisements

The 2018 Digital News Report found that ‘headlines that look like news stories but turn out to be advertisements’ are of concern to 53% of Australian news consumers surveyed, as shown in the figure below (Park et al. 2018, p. 35). Furthermore, 33% of online news consumers reported coming across such a story in the week preceding the survey. Similar to the research on concerns regarding commercial influence on news in general, political and commercial influence in the creation/dissemination of fake news ranks high in terms of audience concerns (67%). However, as discussed earlier, the classification of commercial and political influences in the same category dilutes the value of the data for the purposes of this literature review on commercialisation.
Australian concerns about the growth in misinformation and disinformation (see definitions in Chapter 2) have grown in recent years. Deloitte’s online Media Survey in 2017 with over 2,000 Australian participants found 60% of consumers were concerned about being exposed to fake news and 77% believed they had been. A majority (58%) had changed the way they access news online, mainly by cutting back on the use of social media as a source of trusted news (Deloitte 2017).

The graph below demonstrates the level of user concern across some international markets with different varieties of misinformation, including 'headlines that look like news but turn out to be adverts', about which 40% of news consumers reported concern (Newman et al. 2018, p. 38). Other than satire, this was the lowest level of concern among the different varieties of fake news included in the survey. The graph demonstrates that those news consumers with very high and very low news literacy are less concerned about this type of advertising than those with high and low news literacy. This may be because those with very high news literacy are confident that they can recognise this type of commercial content, and those with very low news literacy are not aware of the issue.
As Figure 1.18 shows, the same survey found that 43% of news consumers are very or extremely concerned about ‘advertisements that look like news stories’ (Newman et al. 2018, p. 20) and that 34% of news consumers had encountered such a story in the previous week.

Consumer concerns about the rise of fake news are also likely to be reflected in broader aggregate surveys, such as the ACMA Communications Report 2017–18 (2019). The report notes concerns about TV and online content, not just news. It noted an ACMA-
commissioned survey that found (as shown in Figure 1.19 below) the level of concern about ‘incorrect/false/misleading information’ had increased by 15 points between 2017 and 2018, from 30% to 45% of adult Australians who were concerned about content viewed recently online or on television.

**Figure 1.19 Types of content viewed online or on TV that caused concern (percentage)**

<table>
<thead>
<tr>
<th>Type of Content</th>
<th>May 18</th>
<th>Jun 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal cruelty</td>
<td>50</td>
<td>24</td>
</tr>
<tr>
<td>Violence</td>
<td>48</td>
<td>46</td>
</tr>
<tr>
<td>Amount of advertising</td>
<td>38</td>
<td>30</td>
</tr>
<tr>
<td>Incorrect/false/misleading information</td>
<td>45</td>
<td>42</td>
</tr>
<tr>
<td>Politics/world events</td>
<td>42</td>
<td>30</td>
</tr>
<tr>
<td>Gambling advertising</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Discrimination/radism/sexism</td>
<td>39</td>
<td>27</td>
</tr>
<tr>
<td>Content related to children (e.g., bullying, abuse)</td>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>News</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>Adult themes</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>Poor quality of television shows</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Advertising content</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Sexuality</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Drug use/drug references</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>Coarse language</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Nudity</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Lack of classifications</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>Alcohol advertising</td>
<td>16</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: (ACMA 2019, p. 86).

### 1.6 Consumer capacity to recognise commercialisation

It appears that most recent research testing consumer capacity to detect commercial content in a news environment is limited to online platforms. The recent research by Ad Standards referred to in section 1.5.1 above did look at Australian consumer capacity to clearly recognise advertisements in five examples across three mediums (three Instagram posts, one online and one television) but this research did not look specifically at news environments. Nevertheless, there are some interesting findings. The television ad had the second highest recognition rate across the five; 80% of Australians in the nationally representative sample 13+ found it ‘probably or clearly’ an ad (Ad Standards 2018, p. 37). While few did not recognise it as advertising (n=28 of 1,023 base) the top reason given by those who did not recognise it was ‘the language used sounds like a news piece rather than advertising’ (p. 51).

One concern related to the capacity of viewers to detect commercial influence in news and editorial content can be found in recent studies into the ability of consumers to detect
‘fake news’. A number of studies conducted in Australia (NewsMediaWorks 2018; Notley et al. 2017; Park et al. 2018) have found that consumers are not confident in their ability to recognise fake news. However, commercially-influenced fake news is only specifically addressed in the Digital News Report (Park et al. 2018), which nominates a form of native advertising (‘headlines that look like news stories but turn out to be advertisements’) as a type of fake news. The Digital News Report table reproduced above (Figure 1.16) shows that 33% of news consumers in the previous week had seen a headline which looked like news but turned out to be advertising (Park et al. 2018, p. 35). Research by Roy Morgan shows that in the previous month 57% of digital platform users had been exposed to advertisements that looked like real headlines (i.e. they were ‘clickbait’) (Roy Morgan 2018c). 9

Internationally, the Digital News Report 2018 data in Figure 1.18 (above) is worth considering. The data is representative of news consumers with online access in all 37 markets and finds that the ‘biggest mismatch’ between consumer concerns and incidence of exposure is ‘stories that are made up for political or commercial reasons’ (Newman et al. 2018, p. 19). More than half of all news consumers (58%), are concerned about such exposure but only 26% report being exposed to such content.

1.6.1 Age variations in advertising recognition

Nationally representative Australian research among 1,000 young people aged 8-16 years found that teenagers are not confident that they are able to spot fake news, with less than half of teenagers aged 13-16 agreeing or strongly agreeing with the statement ‘I know how to tell fake news stories from real news stories’. (See Figure 1.20 below). Notley et al argue that more education on media literacy and the implications of commercial production are necessary to assist young Australians in distinguishing fake news (Notley et al. 2017, p. 30).

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9 The Roy Morgan research also asked about exposure to stories that had been made up for political or commercial reasons. However, the report only mentions political reasons. ‘Less than half reported they had personally come across satire (46%) or completely false stories that were made up for political reasons (38%).’
In contrast, research by Ad Standards in 2018 found that young adults were the best at correctly identifying an advertising image for an online betting agency (Neds) which surrounded three sides of a tennis article on the news site, Pickle (owned by Channel Nine). Significant differences were observed by age:

Younger respondents aged between 18-24 years and 25-29 years were more likely to think it is clearly advertising (68% and 70% respectively, compared to 53% for the total). Conversely, those aged 70 and older were significantly less likely to view this as clearly advertising (39% compared to 53% for the total) (Ad Standards 2018, p. 44).

The 71% of Australians that suggested the Neds image was advertising (either probably or clearly) were asked to select the reasons as to why they felt this way. The top response selected by just under half (48%) was that ‘the product/service is central to the layout – just like in advertising’. The next highest response, at 44%, was that ‘advertising is to be expected in this format on this channel’ (i.e. Pickle).

Responses were similar across all demographics, with the only significant difference being that Australians aged 18 to 24 years were more likely to have selected ‘advertising is to be expected in this format on this channel (i.e. Pickle) (64% compared to 44% for the total) (Ad Standards 2018, p. 47). This suggests that media literacy may also be related to familiarity with particular brands and that placing commercial influence in context often requires a level of media literacy.

1.6.2 Consumer capacity to recognise native advertising

International research from Ofcom has found that the majority of adult (16+) internet users (85% in 2017) feel they are either very or fairly confident they can recognise advertising online, as shown in the chart below.
The actual ability to recognise this type of commercial content (rather than just confidence in being able to do so) requires different research methodologies, and there are several studies that have explored this theme.

A 2013 study of 257 individuals in the US found participants were more likely to report having noticed advertising when exposed to banner-type advertisements rather than native advertising. In terms of demographic differences, younger participants were more likely to notice all advertising than older participants, and older respondents judged all sites as more credible than younger respondents (Howe & Teufel 2014).

A 2015 US study explored whether ‘education about native advertising increases ad recognition and improves the perception of media outlets, companies, and ad content’ (Wu et al. 2016, p. 1493) and the impact of native advertising use on the perceived credibility of media sources. This study used a ‘2 (priming: presence vs. absence) × 2 (media credibility: high vs. low) × 2 (corporate credibility: high vs. low) between-subjects experiment’ (Wu et al. 2016, p. 1497). Priming involved having half of the participants read a short description of native advertising and having those who weren’t primed read about the solar system. Participants were then redirected to a native advertising article. Media credibility was tested through using BuzzFeed’s logo on the low-credibility version of the article, and The New York Times’ logo on the high-credibility version. All versions contained a ‘sponsored by’ disclosure statement. Participants then answered a questionnaire. This study found that those who were primed with knowledge about native advertising were more likely to recognise the article as advertising, and tended to be more critical of it, demonstrating ‘the importance of persuasion knowledge and media literacy in coping with native advertising’ (Wu et al. 2016, p. 1504).
As outlined above, this form of advertising can be more effective when consumers are not aware they are being advertised to. Wu et al.’s study also confirmed this finding, as they found that native advertising is more effective when audiences are unaware that they are viewing advertising (Wu et al. 2016).

In a 2015 study of 242 adult US residents, researchers showed each participant one of 12 versions of a target news story, and all participants the same version of an unrelated distractor story. The target news stories had variations in wording and position of a disclosure label that identified the story as paid content. The participants then completed measures of ‘news story credibility, attitude toward the company, selling and persuasive intent, advertising recognition, perceived story quality, and intention to share the story’ (Wojdynski & Evans 2015, p. 160). This study found that ‘very few (less than 8%) participants recognised the article as advertising, irrespective of disclosure condition’ (Wojdynski & Evans 2015, p. 161). Disclosure at the top or in the middle of the article was more effective than disclosure at the bottom of the article.

The above study was replicated in 2016 by Amazeen and Muddiman with 443 respondents. This study found that ‘recognition of native advertising had a significantly negative effect on attitudes toward the content \[t(145) =3.12, p< 0.01\] and perceived credibility of the content \[t(145) = 4.49, p< 0.0001\] when compared to content presented as a news article’ (Amazeen & Muddiman 2018, p. 185). This study also found that those who were forewarned about the practice of native advertising ‘were more likely (65%) to recognise native advertising than were those who were not forewarned (50 %)’ (Amazeen & Muddiman 2018, p. 187). This indicates that media literacy education about the practice of native advertising will assist consumers in recognising it when it occurs.

An online experiment conducted in the US in 2017 with 738 participants displayed a web page containing native advertisements, then asked participants if they recalled seeing any advertisements on the web page. Those who responded positively were asked further questions about the advertising. Only 9% recognised the content as advertising. Some demographics had higher rates of recognition, in particular ‘younger, more educated consumers who engaged with news media for informational purposes’ (Amazeen & Wojdynski 2019, pp. 222-3). Furthermore, consumers were most receptive to native advertising when publishers were clearly transparent about the commercial nature of the content. This study found that ‘people want to have control over what they expose themselves to’ (Amazeen & Wojdynski 2019, p. 241). The importance consumers place on maintaining control when viewing content was also found by Krouwer, Poels and Paulussen (2019a).

1.6.3 News literacy and commercial content

Critics of native advertising in news publications argue that:

native ads not only obscure, in many cases, the source of the message, but also the persuasive nature of the message content … there is a high likelihood that consumers will assume that the content gives a neutral and unbiased examination of the issues, products, or individuals that are featured in the content (Wojdynski 2016b, p. 10).

When readers are not aware they are encountering an advertisement, they do not use coping behaviours to ‘defend’ against persuasion, and are easier to convince (Cornwell &
This makes issues around media literacy and clearly understood disclosures particularly important in the case of native advertising.

Nettlefold argues that current research in the area, in both Australia and internationally, tends to focus on concepts of individuals’ responsibility (Nettlefold 2018, p. 69) and their skills to understand and ‘read’ news content. But this isolates individuals from the news media ecosystem, a dynamic ever-changing networked environment with multiple players. There is said to be a need to assist media consumers to better understand that ‘power structures of media means greater comprehension of the implications of media consumption, producers’ purposes, the production of user-generated content and the role of alternative media’ (Nettlefold 2018, p. 69).

A student survey in 2017 indicated that just one in five Australian students had received lessons at school in the past year to help them work out if news stories are true and can be trusted (Notley et al. 2017). As Deidre Clary and Michelle Bannister-Tyrrell note in their recent work, young people live in a volatile world requiring new literacies and they will need to develop a ‘a healthy scepticism, critical thinking skills, and online reading research and comprehension skills to become smart, active consumers of news and information’ (Clary & Bannister-Tyrrell 2018).

In terms of context it is worth noting that Park et al. found quite low levels of media literacy in the Australian public, demonstrated by the fact that only 51% of Australian news consumers ‘understood that the ABC is free of advertising and funded by taxpayers’ (Park et al. 2018, p. 48). News literacy was measured via three questions in total (shown below) and the aggregation across various demographics is further outlined in the chart below.
Figure 1.22 News literacy questions

**QUESTIONS ASKED TO MEASURE NEWS LITERACY**

Q1: Which of the following news outlets does NOT depend primarily on advertising for financial support? Please select one only: (1) Channel 7 (2) ABC (correct answer) (3) Herald Sun (4) Sydney Morning Herald (5) Don’t know. Answers: 52% correct; 17% incorrect; 31% didn’t know.

Q2: Which of the following is typically responsible for writing a press release? Please select one only: (1) A reporter for a news organization (2) A spokesperson for an organization (correct answer) (3) A lawyer for a news aggregator (4) A producer for a news organization (5) Don’t know. Answers: 31% correct; 43% incorrect; 26% didn’t know.

Q3: How are most of the individual decisions made about what news stories to show people on Facebook? Please select one only: (1) By computer analysis of what stories might interest you (correct answer) (2) By editors and journalists that work for Facebook (3) By editors and journalists that work for news outlets (4) At random (5) Don’t know. Answers: 37% correct; 37% incorrect; 26% didn’t know.

<table>
<thead>
<tr>
<th>FUNDING FOR PUBLIC BROADCASTER</th>
<th>PRESS RELEASE</th>
<th>FACEBOOK ALGORITHM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td>Incorrect</td>
<td>17</td>
<td>43</td>
</tr>
<tr>
<td>Don’t know</td>
<td>31</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: (Park et al. 2018, p. 43)

Figure 1.23 News literacy by gender, age, education and region (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>60+</th>
<th>High school or less</th>
<th>Some university</th>
<th>Postgraduate</th>
<th>Major Cities</th>
<th>Inner regional</th>
<th>Outer regional</th>
<th>Remote/very remote</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28</td>
<td>34</td>
<td>39</td>
<td>40</td>
<td>22</td>
<td>28</td>
<td>29</td>
<td>15</td>
<td>35</td>
<td>29</td>
<td>24</td>
<td>24</td>
<td>27</td>
<td>23</td>
<td>34</td>
</tr>
</tbody>
</table>

Key: Red – very low literacy; Purple – low literacy; Blue – high literacy; Green – very high literacy

Source: (Park et al. 2018, p. 44)

This study found individuals with higher news literacy to be more concerned about fake news, suggesting ‘that news consumers with higher literacy can distinguish humour from other types of fake news such as poor journalism, political spin and advertising’ (Park et al. 2018, p. 48).
International research has similarly found many people struggle with media and news literacy skills (Ofcom 2018a, p. 1). One example of this is that only 70% of adults in the UK were aware of how commercial TV programs are mainly funded, as shown in the chart below. In addition, only ‘45% of adults are aware of the main source of funding for YouTube’, which is advertising (Ofcom 2018a, p. 12).

![Figure 1.24 Awareness of how commercial TV programs are mainly funded: 2005-2017](source)

Ofcom found that:

Younger people are less likely to know how commercial television is funded. Adults aged 16-24 (56%) and those aged 25-34 (58%) are less likely than adults overall to give the correct response, while adults aged 55-64 (84%) or 65-74 (77%) are more likely (Ofcom 2018a, p. 134).

1.7 Managing commercial content

1.7.1 Consumer attitudes to regulation

In the 2009 Australian study by Dix and Phau, there is an indication of consumer perspectives on regulation of practices that blur editorial and advertising content (Dix & Phau 2009, p. 419). On average, media consumers wanted blurring practices to be regulated, but there was not much variation in their views on whether this should be via media industry self-regulation, advertising industry self-regulation or federal government regulation. There was, however, variation in the views of consumers compared to the views of advertising agencies and advertisers as shown in the table below.
Dix and Phau observed:

Media consumers (M=2.98) are significantly more in favour of self-regulation by individual firms compared to agencies (M=3.64). Media consumers (M=2.57) are significantly more disposed towards regulation by the federal government than both advertisers (M=3.67) and agencies (M=2.53) (Table III) (Dix & Phau 2009, p. 417).

It is important to note that the media consumers surveyed here were not a national representative sample. These results only indicate the attitudes of a sample of graduates from an Australian university.

Internationally, Newell, Blevins and Bugeja’s 2009 study of consumer attitudes toward product placement and video news releases found that ‘respondents were highly cynical about government regulation of advertising and nearly as cynical of the ability of marketers to self-regulate’ (Newell, Blevins & Bugeja 2009, p. 201).

1.7.2 Disclosure

Consumer attitudes towards disclosure

As noted above, in 2009 the ACMA conducted an online survey with a representative sample of 1,214 commercial radio listeners aged 17 years and over. This survey gave some insight into Australian radio listeners’ attitude to disclosure, finding that 75% of commercial radio listeners agree that ‘advertising content on radio should be clearly distinguishable from other radio content’ and 55% agree that ‘integrating advertising with other program content’ is acceptable if advertisers are identified. However, 57% of commercial radio listeners feel that ‘it is annoying when presenters interrupt their programs with disclosure announcements’, as shown in the table below (ACMA 2010, p. 3).
In qualitative work conducted by the Centre for Media Transition, participants’ second-preferred strategy for rebuilding trust was for clear labels for news, comment and advertising (Fray, Molitorisz & Marshall 2018, pp. 44-5). (See also section 2.4.1 below for how this connects with consumer preferences for transparency.) Other qualitative work on attitude of the public toward health reporting, involving medical ethicists, produced mixed results on the need for disclosure (Lipworth et al. 2015, p. 255. See section 2.7.2 below).

Internationally, there have been several studies examining the impact of disclosure. A 2005 US-based experiment examined how on-screen labels disclosing externally supplied VNRs in television news affect audience perceptions of news credibility, and credibility of the VNR provider. This study utilised a ‘3 (no label, communicator label, or moderator label) × 4 (news story 1, 2, 3, or 4) between-subjects factorial experiment’ with 241 participants (Tewksbury, Jensen & Coe 2011). This study found audiences were aware of the on-screen labels and able to absorb the information they communicated. It also found that ‘awareness and acknowledgement of the presence of potentially biasing news content had no effect on judgements of news and news producer bias’ (Tewksbury, Jensen & Coe 2011, p. 342).

A 2017 European study of 277 individuals had participants view a real-world native advertisement for the brand Samsung on a real news website in Europe, with six variations to the appearance of the disclosure label and the frequency the sponsor was mentioned. This study found that disclosure recognition and ad recognition decreased feelings of deceptiveness, however readers ‘still thought that journalists were involved producing the text’ (Krouwer & Poels 2017, p. 25). This lack of understanding is further
evidence of low media literacy and could weaken perceptions of editorial independence. Disclosure recognition was ‘positively related to readers’ perceptions of native advertising in general’ (Krouwer & Poels 2017, p. 25). When implementing native advertising, the authors recommend adding disclosures to all native advertisements to ensure readers’ trust is not harmed and credibility in the sponsored articles is maintained.

Another study in 2017 in Belgium with 290 respondents explored the ‘influence of both disclosure recognition and brand presence [the frequency the advertising brand is mentioned] on readers’ persuasion knowledge and subsequent evaluations’ (Krouwer, Poels & Paulussen 2017, p. 124). As shown in the chart below, this study found that readers maintain highest credibility in the news website if brand mentions are low in a native advertisement and they notice and understand the disclosure statement. There is a positive relationship between disclosure and credibility if the brand mentions are low. However, if there is a high number of brand mentions and consumers notice a disclosure statement, the credibility of the news website plummets. The authors argue that this finding calls for greater attention to the role of brand presence inside the articles themselves rather than focusing solely on disclosure, which they say is largely the case in the current literature; credibility is also influenced by the style of the native advertisements.

![Figure 1.27 Two-way interaction between disclosure recognition and brand presence on news website credibility](image)

Source: (Krouwer, Poels & Paulussen 2017, p. 130).

In 2019, the same researchers studied 453 participants in The Netherlands to test ‘whether and how providing disclosures with more detailed information about both the authorship of native ads and the importance of advertising revenue for news media’s business models can increase readers’ recognition and understanding of native advertising’ and whether transparency positively influences evaluations of credibility of advertisers and news media generally (Krouwer, Poels & Paulussen 2019b, p. 1). A standard disclosure was tested against two more detailed disclosures ‘focusing either on the authorship of the native ads or on the importance of advertising revenue to news
media’s business models and survival’ (Krouwer, Poels & Paulussen 2019b, p. 15). This study found that more detailed disclosures increased credibility of advertising and news media. The mean was significantly higher \((M = 4.16)\) for the disclosure ‘sponsored by Spa Water’ than for the less clear disclosure ‘partner content’ \((M = 3.34)\). Overall, additional explanations about ‘news media’s business models \((M=4.64, \text{SD}= .98)\) and the authorship of native ads \((M= 4.45, \text{SD}= 1.03)\) significantly further improved’ perceptions of transparency (Krouwer, Poels & Paulussen 2019b, p. 11).

In another study, Krouwer, Poels and Paulussen’s interviewed 24 participants in The Netherlands, with participants stating that they may evaluate a native advertisement positively if they know that what they are looking at is an advertisement, and if it meets their informational needs. This seems to speak to the importance of clear disclosure labels. Users also stated they did not like feeling they had no control over whether they paid attention to advertisements, such as when having to scroll through banner advertisements or watch pre-roll videos. Clear, upfront disclosure of commercial intent and authorship allows users to feel that they maintain control (Krouwer, Poels & Paulussen 2019a, p. 13).

Despite this positive result, a US study in 2018 with 183 participants assessed consumers’ reactions to ‘in-feed native ads appearing as news content’, with a particular focus on users’ reaction when discovering what they thought was genuine news was advertising (An, Kerr & Jin 2018, p. 1). This study showed participants one of two versions of stimuli replicating an in-feed native advertising news article, one with an advertisement disclosure and one without. Participants then answered a short questionnaire gauging ‘manipulative intent, engagement, sharing intention, attitudes toward the brand, and purchase intention’ (An, Kerr & Jin 2018, p. 11). This study found that even with ad-disclosure over 50% of participants did not recognise the content as advertising, as shown in the table below.

**Figure 1.28 Disclosure effects on ad recognition**

<table>
<thead>
<tr>
<th>No-Disclosure Condition ((N = 92))</th>
<th>Ad-Disclosure Condition ((N = 91))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad recognized (N = 25) (27.2%)</td>
<td>Ad disclosed (N = 40) (44.0%)</td>
</tr>
<tr>
<td>Ad not recognized (N = 67) (72.8%)</td>
<td>Ad not disclosed (N = 51) (56.0%)</td>
</tr>
</tbody>
</table>

*Note: \(x^2 = 5.6, p = .02\).*


This experiment conducted for this study was divided into two parts so that once participants clicked on the initial headline the full article would make it clear to everyone (even those in the no-disclosure condition) that it was actually an advertisement, and not a news article. It found that in both groups, consumers who had not realised from the headline that it was an advertisement felt deliberately manipulated when they had read the article in full and recognised it as advertising. Consumers who had not recognised the ad ‘engaged less with the message, had less positive attitudes toward the brand, and
were less likely to purchase and share’ (An, Kerr & Jin 2018, p. 1). This is shown in the below table.  


**Figure 1.29 Effects of ad recognition by disclosure conditions**

<table>
<thead>
<tr>
<th>Effects of Ad Recognition by Disclosure Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No-Disclosure Condition</strong></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Manipulative intent</td>
</tr>
<tr>
<td>Engagement</td>
</tr>
<tr>
<td>Sharing intention</td>
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<tr>
<td>Brand attitudes</td>
</tr>
<tr>
<td>Purchase intention</td>
</tr>
</tbody>
</table>

*Note: The value of a refers to reliability. *p < .05; **p < .01.

Similarly, Bachman, Hunziker and Rüedy’s (2019) study contradicted the notion that properly disclosed native advertising does not harm news media credibility. Their study conducted in 2018 of 384 Swiss residents utilised a ‘a 2 (source: low vs. high quality media outlet) x 3 (content: ad-free article vs. declared native advertising article vs. undeclared native advertising article) factorial between subjects experiment’ (Bachmann, Hunziker & Rüedy 2019, p. 6). They found that high-quality news media outlets damaged their reputation of quality, even when they published clearly disclosed native advertising:

news media outlets that stand for high quality journalism damage their quality as perceived by recipients when publishing properly declared native advertising, indicating a trade-off between perceived quality and the use of native advertising (Bachmann, Hunziker & Rüedy 2019, p. 1).

**The effectiveness of disclosure**

There is little Australian research on the effectiveness of disclosure or other mechanisms for alerting consumers to commercial content.

In the ACMA’s survey of commercial radio listeners, respondents were asked to identify advertising or sponsor promotions, as distinct from other programming material such as news, information and current affairs (ACMA 2010, p. 14). The results show some commonalities in cues and signals that consumers use to determine whether radio material is advertising. These include:

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10 The 1-5 scale for this table is not directly explained in the article but is evident from the authors' observations that, for example, a score of 4.41 represents 'greater manipulative intent' than a score of 3.72, and that a score of 3.40 for purchase intention is a 'more negative reaction' than a score of 4.65. See An, Kerr & Jin 2018 p. 12.
While there is no recent Australian research about effective disclosure of advertising in news content, there has been recent work on the elements which make ads recognisable. The following chart from Ad Standards 2018 shows items, from highest to lowest importance, that were found to determine whether advertising is clearly distinguishable:

**Figure 1.30** Tiers of items that participants use to determine whether advertising is clearly distinguishable as such

<table>
<thead>
<tr>
<th>First Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(highest importance)</strong></td>
</tr>
<tr>
<td>The person/people in the post/image look like they are modelling</td>
</tr>
<tr>
<td>The imagery/photography/videography looks staged</td>
</tr>
<tr>
<td>The post contains tags and/or hashtags of the brand or product</td>
</tr>
<tr>
<td>The brand/product/service is central to the post/layout/article/video</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(middle importance)</strong></td>
</tr>
<tr>
<td>The label on the product is visible</td>
</tr>
<tr>
<td>The language used sounds like advertising</td>
</tr>
<tr>
<td>The imagery/photography/videography looks professional</td>
</tr>
<tr>
<td>The post/layout/article/video makes the product appear desirable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(least importance)</strong></td>
</tr>
<tr>
<td>It was posted/written by a prominent person or celebrity that would post advertising</td>
</tr>
<tr>
<td>Advertising is to be expected in the format on this channel</td>
</tr>
<tr>
<td>The logo of the brand/product/service is visible</td>
</tr>
</tbody>
</table>


The same Ad Standards 2018 research looked at a particular case study and asked participants to discuss whether it was an ad or not. While participants nominated certain aspects that alerted them to identification of television content as advertising (e.g., staged videography), disclosure statements were not used in this medium. Just over half thought the digital advertisement was clearly distinguishable as an ad, with disclosure statements being among the factors mentioned for this, as follows (p. 22):

- **Contrast/imagery**: ads for Neds (an online wagering agency) are clearly visible in bright orange and are surrounding the article, visually linking it to the content.
- **Language**: there are references to betting and wagering towards the end of the article.
Disclosure labels: at the end of the article it mentions ‘This content is brought to you by Neds’.

For those who felt it was not clearly distinguishable as an ad, the following aspects were nominated:

- Language: the headline used created the impression that the article was sports news (not wagering), and the style of writing was considered that of a news article.
- Lack of contrast: the article appeared very similar to other ‘genuine’ content that might be placed on Pickle; some mention the bright orange ads could be unrelated to the article.
- Disclosure label: it is not clear until the end that the content was sponsored by Neds.

International literature reveals a spread of concern and debate relating to the power of disclosure in relation to what is variously known as sponsored content or native advertising in news media. Key findings include:

- In 2016 the international Digital News Report reported on findings from Canada, USA, Italy, UK, Germany and Korea, in all these countries less than half of news consumers believed that labelling of sponsored and branded content on news websites was simple and clear. The country where news consumers felt most clear about sponsored content online was Canada where the result was just under half (48%). The lowest result was in Korea at 21% (Newman et al. 2016, p. 23).  
  11 This question about labelling of sponsored content was not repeated in the Australian data.

- Even with various disclosure labels, overall recognition of native advertising content as advertising is low – at 9% in one study (Amazeen & Wojdynski 2018), 32.1% in another (Wojdynski 2016a) and 40% in another (An, Kerr & Jin 2018, p. 11). The study with the lowest recognition, by Amazeen and Wojdynski, was the largest of the three studies, at 800 participants and also nationally representative of the US population. All three studies are discussed in more detail below.

- One study found that the few who do recognise news article-style native advertisements as advertising find the practice highly deceptive (Wojdynski 2016a). Another found consumers felt deliberately manipulated when they recognised a sponsored news article as advertising (An, Kerr & Jin 2018). However, some research has found that disclosure recognition is positively related with overall perception of native advertising and decreased feelings of deception (Krouwer & Poels 2017).

- One study found that large disclosure labels may be mistaken for standalone display ads, unrelated to articles they disclose to be advertisements (Wojdynski 2016a).

- When designing the most effective disclosure for sponsored news content, researchers have suggested ‘prominent disclosure labels placed in the middle of articles’ (Wojdynski et al. 2017, p. 158), using ‘visually striking features that highlight the label … along with easily understandable words … with their [the advertiser’s] logo’ (Amazeen & Wojdynski 2018, p. 23) and the use of the ‘Four Ps’: ‘Prominence for easy readability; Presentation in a way that is easily understood by consumers;
Placement where consumers typically look; and Proximity or close to the claim it modifies’ (An, Kerr & Jin 2018).

The nationally-representative US study conducted in 2017, which found only 9% recognised that the content was advertising, examined the effects of various designs of disclosure labels in sponsored news and how consumer recognition of advertisements affected perceptions of publishers (Amazeen & Wojdynski 2018). The graph below illustrates ‘how recognition levels varied by the characteristics of the native advertising disclosures’ (Amazeen & Wojdynski 2018, p. 16). The odds of recognition were increased by 1.97 times with high-prominence disclosures than with low prominence; high-explicitness disclosures were 3.66 times more likely to be seen as advertisements than low explicitness.

Figure 1.31 Native advertising recognition by disclosure characteristics

The authors of this study argue that ‘best practices for disclosures should include implementing visually striking features that highlight the label … along with easily understandable words … with their logo’ (Amazeen & Wojdynski 2018, p. 23).

A 2016 study of 343 US resident adults asked participants to read a news article online ‘as they would if they had accessed it via a social media link’ (Wojdynski 2016a, p. 7) and complete a questionnaire assessing their perceptions of the article and its contents. The news article was in the style of a native advertisement and tested various means of disclosure. The study consisted of a ‘3 (disclosure proximity: within article/near/far) × 2 (disclosure prominence: high/low) by 2 (disclosure clarity: high/low) × 2 (brand presence in article: low/high) factorial between-subjects online experiment’ (Wojdynski 2016a, p. 7). The study found that 67.9% of participants reported seeing no advertising or ‘believed that
there was some ambiguous display advertising that they could not remember’ (Wojdynski 2016a, p. 13). Those who recognised it found it highly deceptive. While more prominent disclosure labels are a possible solution, this has the pitfall of consumers viewing the disclosure as a standalone advertisement unrelated to the article. In this study, 14.6% of participants believed the disclosure label was a display advertisement. Another finding was that advertising recognition didn’t have a significant effect on attitudes toward the sponsor. However, ‘advertising recognition still had an indirect negative influence on attitude toward the brand through conceptual persuasion knowledge and perceived deceptiveness’ (Wojdynski 2016a, p. 15).

A 2017 study by Wojdynski had 242 participants read one of six versions of a sponsored news article with variations in visual prominence of the disclosure and disclosure-language explicitness. See image below for examples of different labels.

Figure 1.32 Example disclosures: high prominence/low explicitness and low prominence/high explicitness

This study found that high visual prominence and high explicitness led to an increased recognition rate (40%). Unexpectedly, there was no difference in rates of recognition between medium- and high-language explicitness (Wojdynski et al. 2017, p. 156).

A second study of 90 participants recruited through a US university recruitment pool was completed as part of this paper. This study used eye tracking to examine how disclosure position influenced recognition of an article as advertising. Disclosure in the middle of the article was found to be superior (73%) for fixating attention, compared to the top position disclosure (40%). This study implies that prominent disclosure labels using explicit language placed in the middle of articles are most effective form of native advertising disclosure for sponsored news content. However, it is important to note that even with the most effective form of disclosure, 27% of participants didn’t look towards the label (Wojdynski et al. 2017, p. 158).

Krouwer, Poels and Paulussen’s (2019a) qualitative study of 24 participants in The Netherlands found that readers generally recognised native advertising on the news app tested. This recognition was due to visual differences including the proximity of the brand’s logo to the headline, and a change in background colour. Readers who did not recognise the ad as an advertisement at first sight often did not recognise it as advertising after reading the entire text, confirming that ‘clear disclosure, both in terms of visual and
content characteristics, is necessary to avoid deceptive advertising practices’ (Krouwer, Poels & Paulussen 2019a, p. 87).

1.8 Gaps

There are several significant gaps within the research.

- It appears that questions about commercial content tend to be an add-on in quantitative research. In addition, in Australia there is very little research that charts current industry practice in relation to commercial content in news and current affairs and then examines consumer attitudes to these practices.

- On the first aspect of industry practice, there is no local contemporary equivalent of the work in the previous decade by Newell, Blevins and Bugeja on the use of video news releases in the US and Canada (Newell, Blevins & Bugeja 2009). While it may well be that industry practice has moved beyond the use of VNRs, the study shows how commercial content is used by newsrooms. In Australia, Hanusch et al point out the gap in relation to ‘soft news’ and lifestyle journalism and start to address it through in-depth interviews with Australian lifestyle journalists, but broadcast journalism is a minor part of the work and consumer attitudes to the content are not considered (Hanusch, Hanitzsch & Lauerer 2017). On a similar topic (restaurant reviews), English and Fleischman offer a content analysis involving two Australian newspapers, but again, there is no broadcast content (English & Fleischman 2019). Although limited in their scope, these studies are useful in showing why it is important to understand variations on commercial content beyond traditional advertising and the range of influences on news and current affairs programming – specifically, how the public relations practices can influence editorial content.

- Comparing the research environment in Australia to that overseas, there is a notable absence of mixed-method research that attempts to understand more than one dimension of the issue of commercial content in news and current affairs. The Canadian study by Chernov using content analysis of evening news broadcasts combined with in-depth interviews with news directors and sales managers provided a much-needed understanding of the commercial context (Chernov 2010). Mark Pearson’s research conducted for the ABA on sources of news and current affairs, likewise demonstrates the value of consulting the industry practitioners responsible for editorial and content decisions (Australian Broadcasting Authority 2001).

- Turning then to the second aspect of audience attitudes and practices, there is no qualitative Australian research establishing whether consumers can detect commercially supported content in news and current affairs, or whether they can identify native advertising online on news and current affairs sites. The recent research by Ad Standards shows how useful experimental, quantitative and qualitative research can be in understanding how consumers approach specific examples of commercial content. As noted above, this study does not target news and current affairs, but the potential for confusion was seen in the responses of some participants in the study who did not recognise a television advertisement, saying it appeared to resemble news (Ad Standards 2018). International research provides
mixed results on this, but there are several studies suggesting consumer confidence in their ability to spot commercial influences may be overstated.

- On consumer attitudes, the issues examined by the ACMA in relation to commercial radio (ACMA 2010) have not been asked of consumers of other media, apart from a couple of general questions about perceived influence. As a result, it is unclear whether Australian consumers think that news is intrinsically different to other media content and should not be commercially supported other than in clearly segmented forms, or whether consumers accept some form of announcement or disclosure of commercial support. Further, it is not known how consumer views on integration of commercial content might vary between news and current affairs, or across platforms or across different types of commercial content (e.g. product placement compared to sponsored editorial comments). The value of the ACMA research lies in part in its specificity; for example, asking consumers about integrated content, favourable commentary during a talkback program, and practices such as voiceovers. This research helps not just in pinpointing practices that consumers object to; it assists in understanding how industry practice might adapt to financial challenges in ways that are consistent with evolving community standards.

- It is not possible to draw conclusions from the mixed results of international research on the effectiveness of disclosure statements for online content, and there does not appear to be any research on the effectiveness of disclosures made online in relation to broadcast content. In Australia there is no equivalent, for example, of the research by Wojdynski and Evans in the US, which presented participants in the study with examples of news stories and disclosure statements and examined aspects such as the effectiveness of placement of disclosure statements at various positions in relation to the article (Wojdynski & Evans 2015).

- The following research area may be of interest, but was not within the scope of the research questions:

  - Recent academic and public concern regarding commercialisation has centred on the rise of ‘influencer advertising’. This refers to influencers broadly, though often refers to social media influencers. While not explicitly referring to social media influencers, the following observation by Ad Standards demonstrates concerns of Australians about influencer advertising:

    The subtlety of how this could influence people’s opinions was felt to be most alarming. The idea that people might not be aware of how they are influenced, or that they might make poor decisions as a result, worried participants (Ad Standards 2018, p. 14).
2 Impartiality

The research questions

- What value do consumers place on impartiality in news? In current affairs?
- Which aspects of impartiality in news are important (and which are most important) to consumers (e.g. balance, diversity of viewpoints, diversity over time, distinction of fact and opinion, fairness in representing others’ opinion)? In current affairs? Does this differ across platforms?
- What are Australians’ perceptions of current news sources with respect to their impartiality? Do these change depending on the platform?
- Have changes in the media environment (since the rise of digital media) had an impact on the impartiality of news in Australia?
- What are the effects of bias or partiality on perceptions of the quality and authoritativeness of news?
- What is the capacity of viewers to detect opinion or bias in news and editorial content?
- What are the effects of various news literacy measures on audience perceptions of and capacity to distinguish news, analysis and opinion?
2.1 Key findings

Research into impartiality of news is limited, with leading quantitative data tending to be concerned with related issues such as trust. However, there are now some key sources – both quantitative and qualitative – that give an indication of how consumers feel about impartiality and related concepts.

- A survey in 2018 found that the characteristics that were most important to adult Australians when deciding which news providers to trust were accuracy of reporting (93%) followed by neutrality and unbiased nature of the reporting (at 90%) and that ‘the news provider is independent from political and/or government interests’ (73%) (Roy Morgan 2018b, p. 19). The second most mentioned reason for avoiding news, for 40% of adult Australians, was, ‘I feel that news content is biased towards a particular ideology’ (Roy Morgan 2018b, p. 21).

- In 2017, an Australian study found only 31% of Australian news consumers agree with the statement that media is independent from undue political or government influence most of the time (Park et al. 2017, p. 12). Further, those who don’t think the news media helps them separate fact from fiction have highlighted issues of bias, sensationalism, and vested commercial/political interests (Park et al. 2017, p. 63).

- In the same year, a study of nine countries including Australia showed that for those news consumers who do not trust the news media, one of the main reasons is bias, spin, and agendas (67%) (Newman & Fletcher 2017, p. 5).

- Focus groups consistently reveal that many Australians care deeply about issues of impartiality, bias and the separation of fact-based and opinion-based news content (McNair et al. 2017, p. 138). However, perceptions of bias can be subjective and are influenced, for instance, by political orientation (Fisher, Park, et al. 2019, pp. 64-72).

- Content analysis of news reports is limited but some research into the Australian media’s reporting of climate change reveals significant partiality (Bacon 2011; Foxwell-Norton 2017; Lidberg 2018). However, a study of political content covering eight years to 2007 found that in the content of articles, ‘most media outlets are close to the centre position’ (Gans & Leigh 2012, p. 140).

- The international research is more extensive. In the UK, research conducted by Ofcom showed 90% of adults aged 16+ think it is important that TV news sources are impartial, compared to 52% for social media (Ofcom 2017b, p. 68).

- Research by the Pew Center has shown that many people in the US are poor at distinguishing between fact and opinion statements (Pew Research Center 2018a). However, Americans, like others, do want their news media to separate facts and opinion and they do want unbiased news media, in a study across 38 countries, a median of 75% said it is never acceptable for a news organisation to favour one political party over others when reporting news (Pew Research Center 2018c, p. 3).

- Further, a study involving newspaper reports in Germany found that users take impartiality into account, along with relevance and diversity, when judging the quality of news content (Urban & Schweiger 2014).
News users are also concerned about 'false balance', by which journalists include diverging viewpoints in stories, sometimes without evidence or facts in support of their positions, such as on vaccine safety and climate change (Kohl et al. 2016; Ofcom 2019b).

2.2 Definitions

Impartiality often goes undefined. Its meaning is regularly assumed by academics, as it is by policy makers and the general public. The same is true for related terms also addressed in this chapter, including bias, objectivity, trust and fake news.

**Impartiality:** Impartiality 'relates to absence of bias' (Sambrook 2012, p. 3). Along with objectivity, it has been 'at the heart of serious news journalism for most of the last century' (Sambrook 2012, p. 3). A more expansive account is given in the ABC's Editorial Policies:

The ABC has a statutory duty to ensure that the gathering and presentation of news and information is impartial according to the recognised standards of objective journalism. The ABC aims to present, over time, content that addresses a broad range of subjects from a diversity of perspectives reflecting a diversity of experiences, presented in a diversity of ways from a diversity of sources, including content created by ABC staff, generated by audiences and commissioned or acquired from external content-makers. Impartiality does not require that every perspective receives equal time, nor that every facet of every argument is presented (Australian Broadcasting Corporation 2019a).

As is evident from these policies, impartiality is regularly defined in relation to, or in conjunction with, other key journalistic principles, particularly including diversity, but also objectivity. For instance, impartiality has been seen as one ingredient of objectivity (see Deuze 2005, p. 447). In this vein, researchers have described impartiality and balance as the 'twin sentries' of objectivity (Raeijmaekers & Maeseele 2017). Elsewhere, impartiality and objectivity are regarded as synonyms (Deuze 2003, p. 448), though others disagree (Sambrook 2012, p. 3). Further, Maras argues that 'impartiality' and 'accuracy' are increasingly taking the place of 'objectivity', because journalists and researchers consider them more directly measurable and less fraught (Maras 2013, p. 13).

**Bias:** Bias is the lack of impartiality or balance. 'Put simplistically, balance is the absence of bias, and bias is the absence of balance' (Starkey 2006, p. xvi). However, the concept is complex. While bias attracts the attention of citizens and activists, 'media scholars have failed to seriously conceptualize and measure it' (Boudana 2016, p. 201). Various typologies of bias have been developed. McQuail has suggested four different kinds of bias: partisan, which involves explicit support for a particular position; propaganda, in which the bias is more implicit and unapparent to many; unwitting, which is forced on journalists by the constraints of their craft, such as time; and ideological, which is so rooted in preconceptions and values that it may not even be apparent to the journalists themselves (McQuail 1992, pp. 191-9). Entman, by contrast, distinguishes distortion bias (which distorts or falsifies reality), content bias (which favours one side) and decision-making bias (which considers the motivations of journalists) (Entman 2007, p. 163).

**Objectivity:** According to reporter Walter Cronkite, 'Objectivity is the reporting of reality, of facts, as nearly as they can be obtained without the injection of prejudice and personal opinion' (quoted in Maras 2013, p. 7). In journalism, objectivity can be linked to three key
aims: '1. Separating facts from opinion; 2. Presenting an emotionally detached view of the news; 3. Striving for fairness and balance' (Maras 2013, p. 8, citing Everette E. Dennis). Traditionally, objectivity has been a key principle for news and journalism, but in recent decades critical media scholars have challenged its role in journalism. As McNair writes:

The idea that there can be no absolute objectivity in the production of news and journalism – as the term was traditionally used, to mean disinterested or detached coverage of the events and processes which are journalism’s raw material – has been for decades a given, thanks in significant part to the work of Michael Schudson (McNair 2017, p. 1318).

In the era of 24/7 news and digital journalism, objectivity is changing, with new disputes and articulations of the concept (Maras 2013, p. 199). Given the threats facing journalism in the 'post-truth era', however, McNair (2017) argues the principle of objective journalism is worth defending (McNair 2017, pp. 1330-1).

**Trust:** In a media context, trust is often studied, but rarely defined (Fisher 2016). The Oxford Dictionaries define trust as a 'firm belief in the reliability, truth, or ability of someone or something.' A secondary meaning is, 'acceptance of the truth of a statement without evidence or investigation'. Based on previous work by the Centre for Media Transition, trust is taken to mean accepting as reliable or true something that one is unable to verify (Fray, Molitorisz & Marshall 2018, p. 16). A further point is the key distinction between trust, which is an attitude, and trustworthiness, which is a property. This distinction is relevant for research into news media because it means that it is possible to trust something untrustworthy, and to distrust something trustworthy (Fray, Molitorisz & Marshall 2018, p. 16).

**Fake news:** Since 2016, the phrase 'fake news' has come into common use (and misuse), and its meaning has expanded considerably, with ensuing confusion: 'Like other buzzwords, 'fake news' is semantically confusing' (Waisbord 2018, p. 1866). Literally, the term refers to fabricated journalism and false information. Indeed, scholars have long used the term to describe satirical sites, doctored photography, fabricated news, propaganda and more. Headlines that look like news stories but turn out to be advertisements have also entered the lexicon as a type of fake news. But since the US election of 2016 the term has also been used to denote: no-frills sites with sensationalised stories aiming to attract advertising dollars; and hyper partisan sites such as Breitbart with extreme, but not necessarily inaccurate content (Marwick 2018, p. 476). In 2016, led by then-presidential candidate Donald Trump, it then expanded further to encompass 'unflattering mainstream news coverage' (Marwick 2018, p. 476). As Marwick notes, ambiguities around the phrase have led some academics to use instead terms such as 'misinformation' and 'disinformation' which are defined by First Draft News as follows: 'misinformation (the inadvertent sharing of false information) and disinformation (the deliberate creation and sharing of information known to be false)' (see <https://firstdraftnews.org/fake-news-complicated/>). Meanwhile, Facebook uses the term 'false news'. The analysis below concentrates on false information, recognising that consumers sometimes have broader working definitions.
2.3 News practices and impartiality

2.3.1 Impartiality in a changing media market

Traditionally, journalists have kept news and reporting distinct from opinion and commentary. This distinction endures, revealed, for instance, in the way that news and opinion are subject to different standards within regulatory regimes (Wilding et al. 2018, p. 17). Nevertheless, there have always been those who argue this is not the case. Some commentary has centred on the influence of Rupert Murdoch on News Corporation publications. Tiffen, for example, cites McKnight’s use of content analysis of both editorials and news articles to argue that ‘News Corp. and News International used its stable of media companies to back the side of politics that best served its commercial interests’ (Tiffen 2014, p. 112).

More generally, research in Australia as well as internationally shows ‘the internet, and digital platforms, have enabled a proliferation of opinion, and a blurring of opinion and news’ (Wilding et al. 2018, p. 17). As McNair et al. (2017) write, the proliferation of opinion is not exactly new. In the UK and the US, it has been happening for decades. In part, this is because opinion writing is cheap and appealing at a time when news companies are under significant financial pressure. It is also the staple of newer formats, including blogs and social media, as well as 24-hour news channels such as Sky News. The authors note that the proliferation of opinion is linked to the rise of ‘hybrid infotainment formats’ (McNair et al. 2017, p. 208). From focus groups, interviews and empirical evidence, the authors concluded: ‘We have found the rise of opinion journalism to be a significant trend in Australian political media’ (McNair et al. 2017, p. 208). What's more, as Carson and Muller found in their study of digital-only newsrooms in Australia, some news producers are now deliberately blurring the distinction between news and opinion. This is evident in attempts to build a new business model which, as observed in Chapter 1 above, relies heavily on ‘native advertising’, ‘branded content’ and ‘sponsored content’ (Carson & Muller 2017).

Just how impartial is the Australian news media? Various empirical studies have been done. Australian academics have been interested in questions of impartiality for more than 50 years. Serious academic analysis of bias in the Australian media is commonly traced to 1964, which saw an investigation of the partisanship of newspapers in Henry Mayer’s The Press in Australia (Brand & Pearson 2001, p. 67; McNair et al. 2017, p. 140). In 1995, Henningham concluded that most newspapers leaned slightly towards the Liberal Party, commercial media occupied the middle ground and the ABC leaned towards Labor (cited in Brand & Pearson 2001, p. 67). Australians still regard the ABC as left-leaning (McNair et al. 2017, p. 140). The Digital News Report Australia 2019 shows that:

... free-to-air commercial TV news consumers are more likely to be centre and right-wing in their political orientation. Commercial TV news providers also attract a high proportion of news consumers who ‘don’t know’ if they are left or right-wing. Fox News and Sky News attract a higher proportion of right-wing news consumers (Fisher, Park, et al. 2019, p. 67).

Further, Australia's newspaper readers are polarised: left-wing consumers are likely to read papers in the former Fairfax stable, while right-wing readers tend to read News Corp press (p. 67). However, consumers of online-only news brands are much more likely to be left-leaning, probably reflecting a higher proportion of younger and more educated news
users (p. 69). And those who identify as left-wing or right-wing are more likely to access more news sources than those in the centre and those who don't know (p. 69).

The ABC charter explicitly commits it to impartiality. The *Australian Broadcasting Corporation Act 1983*, prescribes that the ABC Board is obliged to ‘ensure that the gathering and presentation by the Corporation of news and information is accurate and impartial according to the recognised standards of objective journalism.’ However, due to concerns about partiality, the Australian Broadcasting Corporation Amendment (Fair and Balanced) Bill was introduced to Federal Parliament in 2017, seeking to expand the ABC’s Board’s duties by including the requirement to be ‘fair’ and ‘balanced’ in the ABC’s gathering and presentation of news and information. It has not passed into law (Senate Environment and Communications Legislation Committee 2018).

In the first of two studies, Wendy Bacon (2011) undertook a content analysis of 10 Australian newspapers over a six-month period in 2011 regarding the issue of climate change. Bacon found a high degree of partiality. The key issue during this period was the introduction of the Labor government’s carbon emissions pricing scheme, which sought to take significant steps to address climate change. It found: negative coverage of the policy outweighed positive coverage by 73% to 27% (Bacon 2011, p. 32); News Corp, which dominates Australia’s print media, had more negative coverage, publishing 82% negative stories compared to 18% positive (p. 33); Fairfax Media was more balanced, with Melbourne masthead *The Age* the only newspaper that was more positive than negative (p. 33); headlines were less balanced than articles (pp. 29-30); the most climate change coverage was in *The Australian*, where the articles were 47% negative, 44% neutral and 9% positive (p. 32); more than half the articles studied used only the phrase ‘carbon tax’, rather than the more positive ‘carbon price’ (p. 34); and civil society sources, including academics, were rarely cited, whereas business figures were often quoted (p. 42). As Bacon writes:

> While the impact of columnists is considerable, negative coverage cannot be attributed merely to several well-published conservative personalities. Bias is an editorial accomplishment achieved through a variety of journalistic techniques included headlining, the selection and prominence of topics and sources, structuring and editing of stories, selection and promotion of commentators, editorials and cartoons or other visuals … The media are sensitive about accusations of bias because their own claim to legitimacy rests on codes and ethics that urge them to seek the truth through fairness, accuracy and impartiality (pp. 62-3).

Bacon concluded: ‘Evidence in this report suggests that many Australians did not receive fair, accurate and impartial reporting in the public interest in relation to the carbon policy in 2011.’ (p. 67).

In 2013, Bacon published a second report, examining coverage of climate science in 10 Australian newspapers between February 2011 and April 2012. It found that roughly one third of the 602 articles studied did not accept the consensus among more than 97% of scientists that human beings are major contributors to global warming (p. 11). Further, 31% of the 602 articles were commentary about climate science, with much of the commentary written by non-scientists (p. 13). Indeed, there was a paucity of information citing peer-reviewed climate science findings (pp. 14-5). Australia’s biggest circulation publications in Australia, the *Herald Sun* and *The Daily Telegraph*, provided almost no
coverage of peer-reviewed science (p. 15). ‘Despite very high levels of certainty that human activity causes dangerous climate change and evidence about the dangerous impact of that change, the proportion of articles accepting the consensus position on anthropogenic climate change dropped between 2011 and 2012’ (p. 16).

More recently, Johan Lidberg (2018) researched how the reporting of climate change in *The Sydney Morning Herald* and *The Daily Telegraph* has changed over time. Using a mixed methods approach, the study drew on longitudinal content analysis data and interviews with senior journalists. Referencing the large international body of work into media coverage of climate change, Lidberg cited the problem of ‘balance as bias’ (see also consumer concerns section 2.5.2), in which journalists, ostensibly striving for the professional goal of objectivity, framed the issue as a 50/50 argument for and against rather than one of overwhelming consensus that human-induced climate change is happening (p. 73). Lidberg concluded:

> The most important take away from this study is that SMH coverage has grown in resources, complexity and analysis informing its audience on climate change, while the Daily Telegraph has gone from actively campaigning against climate change action, to more or less ignoring it, abdicating the responsibility to constructively inform its audience … The magnitude of this development from a public interest journalism point of view should not be underestimated (p. 79).

By contrast, a content analysis of four Australian alternative and independent mastheads (*New Matilda*, *Crikey*, *Independent Australia* and *Green Left Weekly*) found that they did not give a platform to climate sceptics but instead evinced a clear and consistent commitment to addressing the ‘wicked problem’ of climate change (Foxwell-Norton 2017). The authors of the stories examined the politics of climate change, with significant coverage given to those most affected, such as small Pacific Island nations. This made a marked contrast from mainstream media’s coverage.

> This research suggests that at the currently historical juncture, Australian independent journalism and media are bringing diverse and unrepresented civil society voices to the public sphere and are thus performing a critical democratic role in agitating for action on climate change (Foxwell-Norton 2017, p. 161).

In a ‘social cohesion report’ for the Scanlon Foundation, Andrew Markus (2017) examined coverage of various political issues, including immigration.

> There has been a different tenor in the coverage of immigration issues in the various newspapers. The News Corp media, for example *The Australian* and the tabloids *Herald Sun* and *Daily Telegraph*, provide editorial level endorsement of immigration and feature articles that challenge critics of immigration … Yet the News Corp media also features columnists consistently critical of current immigration policy, notably Judith Sloan, Andrew Bolt and Rita Panahi … One August 2018 article which led to formal complaints to the Press Council was headlined ‘The foreign invasion’ and presented the argument that ‘there is no us anymore, as a tidal wave of immigrants sweeps away what’s left of our national identity’ (Markus 2017, p. 40).

*The Guardian Australia*, by contrast, was consistently sympathetic in its coverage of asylum seekers in offshore detention (p. 40). Another study took another approach to impartiality: first, it coded public intellectuals on a left-right scale; second, it used independent raters to code front-page election stories and headlines; third, it tabulated the number of editorial endorsements for each side of politics (Gans & Leigh 2012). Overall,
the study found the Australian media is ‘quite centrist, with very few outlets being statistically distinguishable from the middle of Australian politics’. A potential explanation suggested by the authors is lack of competition in the Australian media market.

Internationally, a 2018 Pew Research Center survey of 28,122 adults in 11 emerging economies found mixed responses to new media practices and impartiality. Results showed that consumers perceive that social media and new communications technologies come with both significant risks and benefits.

Succinctly put, the prevailing view in the surveyed countries is that mobile phones, the internet and social media have collectively amplified politics in both positive and negative directions – simultaneously making people more empowered politically and potentially more exposed to harm (Pew Research Center 2019, p. 4).

The British communications regulator Ofcom conducts extensive quantitative and qualitative research each year. In its 2019 qualitative research, which includes lengthy interviews with consumers, it found that media usage is becoming more segmented. Some use the internet merely for basic tasks; others use it much more, including those who use social media platforms for work (Ofcom 2019b, p. 5). The segmentation is revealed in reduced consumption of TV news, and a corresponding rise in consumption of news via YouTube, partly motivated by a desire for first-hand reports, such as from the Grenfell Tower fire (Ofcom 2019b, p. 38). About a fifth of those sampled said they accessed sites such as Rebel Media, a sensationalist far right site sometimes described as Canada’s Breitbart. Often, these consumers were mistrustful of mainstream news channels (p. 38). Other interviewees were supportive of the BBC, but worried about false balance, or the notion of balance as bias (this is discussed in section 2.5.2).

The effects of opinionated news

Published in 2014, an online survey of 241 Dutch adults tested the effects of opinionated news on political attitudes via manipulated TV news. The findings suggest that opinionated news has a mix of positive and negative effects. In a positive way, it can affect policy attitudes; negatively, it can provoke hostility and anger. In this study, positive and negative cancelled each other out (Boukes et al. 2014). Working from a larger data set, researchers examined news consumption in 36 countries to explore the potential electoral influence of major news organisations. The analysis revealed three global patterns: ‘high levels of concentration in media power, dominant rankings by television companies, and a link between socioeconomic inequality and information inequality’ (Kennedy & Prat 2019).

2.3.2 New consumer practices

In Australia as internationally, more people – and especially young people – are accessing news via social media (Newman et al. 2018). Meanwhile, a growing minority of people are directly following politicians. In 2016, 11% of Australian news consumers subscribed to the direct feed of politicians on social media; by 2018, that figure had risen to 22% (Park et al. 2018, pp. 90-9). In 2019, University of Canberra researchers examined this trend by studying news users in six countries (Australia, Germany, Ireland, Spain, UK and USA) who also follow politicians and political parties on social media. Analysing Reuters Institute Digital News Report 2017 data, they showed that the primary motivation of these users was to access information ‘unfiltered by journalists’. This motivation was followed by
partisan support, and dissatisfaction with elements of mainstream political reporting. As the authors wrote:

The top, or equal first, motivation in all countries, other than Germany, was a desire to access unfiltered information directly from a politician. This reflects a strong inclination to control and curate information flows on the part of these followers who are seeking information straight from the source that is unedited by a journalist (Fisher, Culloty, et al. 2019, p. 244).

Internationally, attitudes to bias on social media vary greatly across countries. In Lebanon, 41% of social media users say that the news they get from social media is more biased than news from other sources; in Colombia, only 23% say the news from social media is more biased (Pew Research Center 2019, p. 22).

The attention economy

Many scholars have written about dramatically changing patterns of news consumption. This includes references to the ‘attention economy’, which proposes that consumers only have a fixed amount of attention. However, the internet has enabled an explosion of content, which means that news producers have many more competitors in their quest to attract their share of this finite resource (Legg & Kerwin 2018, p. 4). In this context, the key to generating profit involves attracting attention:

Many online content producers earn their revenue by hosting advertisements on their sites and gathering data, and this business model maximizes profit by collecting as much attention as possible. Emotional material that reinforces the reader’s preconceived political beliefs and opinions thrive. Accurate and balanced news content does not usually maximize attention (Legg & Kerwin 2018, p. 4).

The explanation proposed by Legg and Kerwin suggests that social media and other newcomers in the news marketplace are tending to crowd out impartial news.

Second screens

Though perhaps tangential to the main arguments of this chapter, one emerging trend is the use of more than one screen, which potentially has significant impacts for news consumption. As noted by Horning (2017), there is an increasing use of second screens (such as mobile phones) to interact with first screens (such as televisions). How does this affect perceptions of news content, including its impartiality? In a study of college-aged audiences in the US, Horning examined news enjoyment and credibility. He found that those users who felt they gained little control from their second screens, increased their assessment of content credibility and enjoyment when presented with higher modality experiences. Simply, a second-screen experience that gave users more control heightened perceptions of credibility.

2.3.3 Challenges to, and changes in, concepts of impartiality online

Scholars in Australia and internationally have argued that the disruptions wrought by the transition to digital necessitate a rethinking of key concepts, such as objectivity. As McNair (2017) wrote: ‘The concept of objectivity can and must be re-evaluated in the digital era, if such a thing as a globalised public sphere, able to support further democratic progress in the decades ahead, is to be built from the ‘cultural chaos’ of the internet’ (McNair 2017, p.
McNair distinguishes those outlets that have touted themselves as objective and impartial (e.g., the BBC, CNN, to a lesser extent Sky News in Australia) with those that don't (e.g., Fox News, which dropped its ‘fair and balanced’ branding in 2017) (McNair 2017, p. 1320). For decades, McNair writes, critical media scholars have sought to debunk the notion of objectivity. Now, however, journalism is facing new threats, including from Vladimir Putin’s global propaganda apparatus, the rise of populism in the liberal democratic world, and the ascendance of Donald Trump. Hence the principle of objective journalism deserves defending.

To defend the principle of objective journalism in the post-truth era is not to forget that these earlier critiques were valid, and often remain so. On the contrary, many of those arguments have been incorporated into the contemporary practice of journalistic objectivity. And then, when procedural transparency and journalistic self-reflection are presented to audiences as being as much part of a news story as “the facts”, they can decide whom to believe, based on their individual perspectives, experiences and judgements (McNair 2017, pp. 1330-1).

A challenge to impartiality comes directly from social media. Napoli (2015) expresses some concern about the lack of journalistic public interest values in the production, dissemination, and consumption of news on social media platforms, suggesting further discussion is needed about social media and algorithm governance (pp. 757-8). However, this is not uniformly regarded as problematic. Hurcombe, Burgess and Harrington (2018) identify the emerging genre of ‘social news’, which is ‘characterised by “born-digital” journalism that’s both symptomatic of and a pragmatic response to social media’. By looking at BuzzFeed Oz News, Junkee, and Pedestrian.tv, the authors argue that social news ‘departs from traditional journalistic norms around objectivity, instead exhibiting a strong and explicit positionality, and actively critiquing ideas like “balance.”’ However, the authors argue that this offers potential: the same innovations that have caused a crisis for traditional news producers are allowing the emergence of new forms of journalism.

Indigenous news on social media is an example of an innovative form of participatory, community-led journalism that faces accusations of bias and lacking objectivity in prioritising Indigenous voices (Burrows 2018, p. 1122). Most of the Indigenous media producers interviewed, 24 of which are based in Australia, expressed commitment to producing objective news, while some pointed to significant challenges impeding objectivity, such as media blacklisting and exclusion from conferences (Burrows 2018, pp. 1122-6). Some outline a modified definition of conventional objectivity that is shaped by audience and community-driven values, to ‘counterbalance…mainstream media’s exclusion of Indigenous voices and…stereotypical, inaccurate and discriminatory coverage of Indigenous affairs’ (Burrows 2018, p. 1128). This revision of journalistic objectivity points to local, audience-driven values that could shape the type of discussion that McNair (2017) promotes as necessary to furthering democracy.

**New journalism, new standards of impartiality?**

In a 2015 paper for the Reuters Institute for the Study of Journalism at Oxford, Australian Broadcasting Corporation journalist Kellie Riordan interviewed industry experts, scholars and representatives of traditional and new media to explore what sort of editorial standards should apply in the internet era. Her paper focuses on the key editorial standards of accuracy, independence, and impartiality. Riordan found that the hyperlinked
web gives users greater access to a range of facts, data and opinions, and offers specific editorial strengths, including ‘transparency in addition to (not in place of) impartiality’ (Riordan 2015, p. 3). However, she notes that there are risks in a digital age, including that: ‘a lack of linear structure means all content is ‘flattened out’. Distinguishing between content types is difficult for outlets committed to impartiality’ (p. 3). Riordan argues a third type of journalism is emerging that is more ‘of the web’, marked by publications such as Quartz, Vox and ProPublica, which are adapting editorial standards to suit the digital era, including by linking to primary sources, swiftly correcting mistakes, giving a breadth of viewpoints and adopting a transparent, ‘show-your-work’ ethos (p. 4). Other researchers have interrogated the concept of objectivity, and ‘its twin sentries balance and impartiality’, in a digital age arguing that further work is needed to understand the impact of these concepts on media pluralism and the way audiences become aware of ‘ideological ‘fault lines’ in society (Raeijmaekers & Maeseele 2017, p. 658).

2.4 Consumer attitudes to impartiality

2.4.1 Different perceptions of impartiality

There is a distinct paucity of research into the attitudes of Australian consumers to the impartiality of news media. Much of the recent research has been on the more specific issues of trust and fake news, both of which are dealt with below under separate sub-headings (section 2.4.2 and section 2.5.2). The most comprehensive and authoritative research is contained in the Digital News Report, conducted each year by the News and Media Research Centre at the University of Canberra. Further insights are contained in industry reports by organisations including Roy Morgan Research and Deloitte, as well as government bodies including the ACMA and the ACCC. Academics have also investigated discrete groups, including young people and schoolteachers, to assess their specific attitudes to impartiality and news media.

The annual Digital News Report Australia surveys about 2,000 news users. The 2019 report has little to say directly on the issue of impartiality, and consumer attitudes to impartiality – although it does delve into the related issues of trust and fake news (see below). According to the Digital News Report Australia 2019, consumers give news media a mixed report card. Two-thirds of Australian news consumers (66%) agree news media keeps them up-to-date but only 45% agree that journalism is holding the powerful to account and 44% agree the news media is often too negative (Fisher, Park, et al. 2019, pp. 53-4). More than a quarter (28%) think the news is not relevant to them (Fisher, Park, et al. 2019, p. 56). There is also a generational divide: younger news consumers are significantly more likely than older consumers to consider the news too negative, not relevant and failing in its watchdog role of holding the powerful to account (Fisher, Park, et al. 2019, pp. 56-7). The chart below shows variation according to generation on whether ‘the news media mentions and scrutinises powerful people and businesses’:
Two years earlier, the *Digital News Report Australia* addressed impartiality (and commercial interest) more directly. It found only 31% of Australian news consumers agreed with the statement that media is independent from undue political or government influence most of the time and only 28% agreed with the statement that Australian media is independent from undue business or commercial influence most of the time (Park et al. 2017, p. 12). It also found that ‘People who didn’t think the [traditional] news media helped them separate fact from fiction highlighted issues of bias, sensationalism, and vested commercial/political interests’ (Park et al. 2017, p. 63). As one participant said in response to an open-ended question, ‘All reporting is influenced by commercial/political bias’ (p. 63).

In various studies, impartiality and commercial interests are studied together. In 2018, Roy Morgan Research conducted two extensive surveys, commissioned as part of the ACCC's Digital Platforms Inquiry. For one, *Consumer Views and Behaviours on Digital Platforms*, researchers conducted an online consumer survey of 4,308 Australian digital platform users (Roy Morgan 2018c). The aims included understanding the perceptions and views of consumers on the choice of online news available. The majority of digital platform users (62%) said that in the past month they had come across stories where facts were ‘spun’ to push a particular agenda (Roy Morgan 2018c, p. 37). Just under a third of Australian digital platform users reported that the issue they were mostly concerned about in the news was ‘stories that are made up for political or commercial reasons’ (29%) followed by misleading news commentary (19%) (Roy Morgan 2018c, p. 8).

The Deloitte Media Consumer Survey 2018, which relies on the self-reported data of more than 2,000 consumers, considered questions about paying for news. Nearly two-thirds (64%) of those surveyed said nothing would entice them to pay for news. However, the factors most likely to convince news users to pay for content are an increasing awareness of quality, integrity and responsibility in news sources (Deloitte 2018, p. 10). Those aged

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12 It should be noted that there is some confusion in the reporting of these results, with conflicting statistics given in the text of the *Digital News Report 2017* preceding page. The figures used in this report are the ones taken from the graph provided by the authors.
29-34, dubbed ‘leading millennials’, cite trust and brand association (26%), unique content (24%), and the alignment with their values (19%) as the reasons they would be more willing to pay for news (Deloitte 2018, p. 10). (The issue of payment is discussed below.)

Quantitative research into consumer attitudes to news media, and specifically impartiality, is limited and incomplete, as discussed. The same is true of qualitative research. One exception comprises 24 focus groups (including five pilots) held by McNair et al. (2017) between 2014 and 2015 in Brisbane, Toowoomba, Lismore, Sydney, Parramatta, Geelong, Melbourne, Canberra, Townsville and Brisbane. Their focus was the ‘political public sphere’ and, as the authors noted, the participants revealed a heartening understanding of the key role played by political media in a democracy. For some, this role required impartiality. As one participant said, the role of political journalists is, ‘To report what's going on and without any bias or any opinion’ (McNair et al. 2017, p. 137). The authors wrote that political news users place a very high value on impartiality. ‘There is agreement that the distinction between opinion and fact – or objective versus subjective content – must be maintained’ (McNair et al. 2017, p. 138). As one participant said: ‘There's [a role for] opinion pieces but in news there should be just reporting. There needs to be a clear demarcation between what are opinion pieces and what are actually news’ (McNair et al. 2017, p. 138). The issue of bias arose frequently in focus groups as a key concern. The general perception was that the ABC leans to the left, and that private media outlets are biased in various ways. The focus groups consistently revealed they wanted a clear demarcation between news and reporting, on the one hand, and opinion and advocacy journalism, on the other (McNair et al. 2017, p. 141).

A more modest exception to the lack of qualitative research is a 2018 study by the Centre for Media Transition (referred to in section 1.7.2 above in relation to consumer preferences for labels attached to commercial content). The CMT held four workshops to ask a total of 34 diverse Australians in Sydney and Tamworth about their news consumption habits. While the focus of the workshops was trust (see below), various exercises revealed the value consumers continue to place on the related subject of objectivity. When asked to choose which attributes are important to them in a news source, participants listed accuracy in first place and objectivity in third place (‘in the public interest’ was in second place). Well down the list were attributes such as transparency, accessibility and timeliness (Fray, Molitorisz & Marshall 2018, p. 42). This suggests that impartiality is a key ingredient in the participants’ prescription for an ideal news source. This was borne out in another exercise, which asked participants to identify their preferred strategies for rebuilding trust. Above all, their preferred strategy was for explainers (that told why the story was written, who was interviewed, and so on); their second-preferred strategy was clear labels for news, comment and advertising (Fray, Molitorisz & Marshall 2018, pp. 44-5). Participants wanted a higher degree of transparency around the news-gathering process, and specifically identified labels separating news, comment and advertising. Clearly and stridently, in both studies, participants generally want a clearer demarcation of news that is striving for objectivity.

Kathryn Shine (2017) specifically studied education reporting. Shine notes that the academic consensus is that education reporting is mostly negative, blaming teachers for perceived shortcomings of the school system. However, very few studies have examined
the attitudes of teachers to education reporting. After interviewing 25 Australian schoolteachers and principals about their perceptions of education reporting, she found:

The vast majority of the teachers interviewed considered news about schooling and teachers to be predominantly, and unfairly, critical. They described news reporting of education as frequently inaccurate and generally superficial. Many expressed a distrust of journalists and were wary about being interviewed.

In a much larger study, the attitudes of young Australians to news media generally were explored. In 2017, Sydney researchers surveyed a nationally representative sample of 1,000 young Australians aged 8-16 years to understand their news engagement practices and experiences; they examined how young people perceive and are affected by the news (Notley et al. 2017). They then subdivided participants into two groups: children (aged 8-12) and teens (aged 13-16). The key findings included: 1. young Australians consume a lot of news regularly, and news stories most often come from their families; 2. young Australians value the news, but think news organisations don’t understand them and ignore them; 3. trust in media organisations is low, and perceptions of bias are high (pp. 8-9).

Young people hold strong perceptions of bias when it comes to how the news treats people. Just 38% of young Australians believe news treats people from different race and ethnic background equally fair. In addition, only 40% believe news treats men and women equally fair. In both cases, teenage girls perceived more bias in news stories when compared with children or teenage boys (p. 9).

In an older study conducted in 2011, researchers surveyed 524 young online news users, mostly from Queensland, aged 18-30 years in a sample that closely aligned with readership demographics to understand the behaviours and intentions in news consumption (Flew et al. 2011). Focus groups with 54 respondents showed that ‘loyal users’ who intentionally engage with online news sources believe that ‘major media publishers were best resourced and had the most credible news brands, and that as a result more accurate information’ (p. 105). These loyal users were aware of differences between professional and citizen/amateur journalism, alert to questions of news bias, and would seek multiple perspectives on major issues from, while also placing higher trust in a preferred news services with a sort of ‘allegiance to the viewpoints and opinions expressed by professional journalists and editors’ (p. 105). ‘Customisers’ were the smallest grouping of respondents, valuing accuracy, reliability and critique of ‘what they perceive to be biased and other limitations of mainstream news media’ (p. 2016).

Internationally, research reveals that impartiality is prized by news consumers. In its Adults’ Media Use and Attitudes Report 2018, for instance, Ofcom reported that users place a very high value on news that is impartial:

The majority of internet users value news that is impartial (66%), that is breaking/up-to-date (62%) and which provides the key facts (59%). Fewer value news that provides depth and breadth of coverage (39%), or that provides an expert opinion (32%) or an alternative viewpoint (22%). TV is the first place that internet users go to, for all types of news that are important to them, with the exception of news that provides an alternative viewpoint.’ (Ofcom 2018a, p. 3).
The findings of the report were largely drawn from extensive quantitative data collected in 2016. This included research from Ofcom’s Media Tracker, which had conducted research specifically into impartiality (among other issues). It found that 90% of those surveyed thought it was either very important or fairly important that TV news sources are impartial, compared to 84% for radio news sources, 80% for newspapers, 70% for broadcaster websites and 66% for newspaper sites. Only about half (52%) thought it was important that social media sites are impartial (Ofcom 2017b, p. 68; see Figure 2.2 below).

Figure 2.2 Opinions on importance of impartiality of news by platform (in the UK)

![Bar graph showing opinions on importance of impartiality of news by platform in the UK](source: Ofcom Media Tracker 2016. Base: All (2,269). Prompted, single code: Q87 - How important do you personally think it is that each of the following news sources is impartial? Source: (Ofcom 2017b, p. 77)

In a variation to this question in 2018, Ofcom asked UK adults about current affairs programs. The result was that 69% felt that it was either quite important or very important to them personally that these programs ‘are impartial’ and 70% felt that it was either quite important or very important to them personally that these programs ‘offer a range of opinions’ (Ofcom 2018b, p. 119).

In a survey of 3,203 adults in the Netherlands, participants had five clear prescriptions. They wanted news media to separate facts from opinion, as well as to admit mistakes, be independent, clearly distinguish advertising from news and present alternative viewpoints as completely as possible (van der Wurff & Schoenbach 2014, pp. 440-2). In Bulgaria, Slavtcheva-Petkova studied the comments of online newspaper readers to compare the ideal of journalists as detached watchdogs against the reality of contemporary journalism. Here again news users showed an abiding concern for impartiality. As one commenter wrote: ‘When did objectivity and the search for impartiality disappear? I am tired of reading manipulative articles, twisting the truth to serve the respective editorial office.’

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13 The total percentage appearing in the bar graph is a rounded result and, in some cases, differs from the result appearing in the text. The version in the text is taken from Ofcom’s own commentary and is consistent with the data files supplied by Ofcom (see, for example, the result relating to newspapers in: [https://www.ofcom.org.uk/__data/assets/pdf_file/0016/100159/Ofcom-Media-Tracker-2016-data-tables.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0016/100159/Ofcom-Media-Tracker-2016-data-tables.pdf)).
Drawing on data from its *Spring 2017 Global Attitudes Survey*, the Pew Research Center surveyed news users in 38 countries to find that the public around the globe place a high value on politically unbiased news media. However, when presented with four areas, this was the one which participants identified as the least likely for their news media to be doing well. The survey found a median of 75% across 38 countries say it is never acceptable for a news organisation to favour one political party over others when reporting news (Pew Research Center 2018c, p. 3).

People in Europe show the greatest opposition to political bias in their news, including 89% in Spain and 88% in Greece who think this is unacceptable. In the United States, 78% say the news media should never favour one political party over another. In only five countries do at least three-in-ten believe it is okay to favor one side (p. 3).

Citizens in Spain, Greece, South Korea, Lebanon and Chile are the most critical, with at least six in ten saying their news media don’t do well on reporting the news fairly (Pew Research Center 2018c, p. 4). Further, education levels create differences. In several countries, those who are more highly educated are much more likely to say that media bias is never acceptable (Pew Research Center 2018c, p. 14).

In January to March 2016, Pew conducted an extensive study among 4,654 US adults, first asking about their news habits and attitudes, then over the course of a week asking them in real-time about news they had consumed in the past two hours. Of the panellists, 2,078 completed at least 10 of the 14 experiential surveys. The study found: three quarters of Americans think news organisations keep political leaders in check; almost as many (74%) say news organisations tend to favour one side; and Republicans are more likely to think news organisations are one-sided (Pew Research Center 2016, p. 10).

**People use impartiality to judge news quality**

In 2014, Urban and Schweiger studied how well German newspaper users can assess the quality of news items measured by the criteria of impartiality, diversity, relevance, ethics, objectivity and comprehensibility. After conducting ‘2 x 2 factorial online experiments’ with a sample size that ranged from 365 to 427 participants, Urban and Schweiger found that ‘recipients do recognize differences in quality to some extent where they reflect issues of relevance, impartiality and diversity. But recipients found it hard to evaluate the ethics, objectivity and comprehensibility of a news item’ (p. 821). In other words, users do take impartiality into account when assessing quality. However, the authors also note that it is difficult for news users to assess the criterion of impartiality (p. 833). ‘The results show that it is difficult for recipients to judge news coverage with regard to identified normative quality criteria. However, the audience is by no means completely unable to identify a lack of quality in the news’ (p. 821). The researchers also found that news users’ perceptions of impartiality and quality are significantly influenced by the perceived image of the media brand (p. 834). In a report for the Reuters Institute for the Study of Journalism, this has been dubbed ‘news brand bias’ (Schrøder 2019, pp. 14-6). This refers to the finding that brand like and dislike have a significant correlation with news relevance. If you like a news brand, you’re more likely to consider its stories relevant (pp. 14-6).

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14 The use of median as the measure in this study is explained as follows: ‘The median is the middle number in a list of figures sorted in ascending or descending order. In a survey of 38 countries, the median result is the average of the 19th and 20th figures on a list of country-level findings ranked in order’ (Pew Research Center 2018c, p. 4).
2.4.2 The connection between trust and impartiality

The issue of partiality is sometimes linked to the issue of trust, and in recent decades trust in news media has been the subject of a growing body of research and commentary (McKewon 2018). In many countries, including Australia, levels of trust in media (and also in government and business) are low (Edelman 2019). In Australia, fewer than half (44%) of news consumers have trust in news, saying they ‘trust most news most of the time’ (Fisher, Park, et al. 2019, p. 75). For Australian news consumers, TV continues to rank as the most trusted news source (Park et al. 2018, p. 25).

Industry research provides some indication of levels of trust and credibility regarding particular types of news media. The industry body Commercial Radio Australia refers to a national online survey of 1,267 Australian radio listeners from regional and metropolitan areas, which showed 53% of listeners consider radio a credible source of news, compared to TV (44%), online (27%) and newspapers/magazines (24%) (GfK 2017). In a study on local newspaper readership commissioned by industry body NewsMediaWorks, 54% of the 1,440 regional and metropolitan newspaper readers surveyed ranked regional newspapers as their most trusted source of information, ahead of television (29%), radio (27%) and online search (18%) (NewsMediaWorks 2016). (Neither of these reports provided a detailed research methodology).

Roy Morgan surveyed 4,308 adult digital platforms users for the ACCC in 2018. Users were asked which characteristics are important when they decide which news providers to trust. The quality that the greatest proportion of people report as important is accuracy of reporting (93%), followed by the neutrality and unbiased nature of the reporting (90%), and that ‘the news provider is independent from political and/or government interests’ (73%). The quality that had the lowest proportion of people indicating that it was important was ‘I tend to agree with the opinions of the journalists/presenters’ (25%), and the quality that the greatest proportion of people indicated was ‘not at all important’ was that ‘the news provider is commercially funded/independent from government funding (40%) (Roy Morgan 2018b, p. 19).

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15 On p. 19 of the report, the result appears as 26%; however, the graph on p. 20 shows the total to be 25%.
After repeatedly polling 4,000+ Australians between October 2017 and May 2018, Roy Morgan also declared the ABC Australia's most trusted media brand. Facebook, by contrast, was Australia's least trusted media brand (Roy Morgan 2018a). As Terry Flew has noted, drawing on these Roy Morgan findings: ‘Australia's most trusted news organisation is the Australian Broadcasting Corporation, followed by the Special Broadcasting Service, and the least trusted is Facebook’ (Flew 2019, p. 12).

This aligns with the results of qualitative workshops held by the Centre for Media Transition in 2018, where the ABC easily emerged as the most trusted source among participants (Fray, Molitorisz & Marshall 2018, pp. 36-7). Many of the workshop participants explicitly linked their distrust of news media with perceptions of bias. As a 25-year-old female participant in Sydney said, ‘I don’t trust the media to be unbiased, or completely true. I believe it’s about shock value in order to reel an audience in. The news and media is often negative’ (Fray, Molitorisz & Marshall 2018, p. 36). In both Sydney and Tamworth, participants had very negative opinions of news media, and bias was consistently near the top of their concerns. ‘For too long, different sources have been biased, one way or the other,’ said a 41-year-old participant in Tamworth. ‘That's not a good way to deliver your news. Too many people are influenced by particular bias and then they're going out and telling their friends and spreading whatever news they've heard in the particular way they've heard it’ (Fray, Molitorisz & Marshall 2018, p. 50).

Trust and payment

A direct link has also been observed between trust and payment. As the Digital News Report Australia 2019 found, ‘Those who pay for news are more likely to trust news in general (57%) than those who do not pay for news (43%)’ (Fisher, Park, et al. 2019, p. 43). The link between trust and payment confirms findings from 2018. ‘The data clearly shows that people who trust news generally are much more willing to pay for it; and those
who do not trust it are less willing’ (Fisher, Park, et al. 2019, p. 32). Similarly, Roy Morgan asked 930 Australians who had paid for news in the past year their most important reasons for paying, and ‘I trust the news outlet’ was cited by 25% (Roy Morgan 2018b, p. 26). Conversely, 1,101 non-payers were asked why they didn't pay, and a significant minority (12%) said ‘I don't trust news enough’ (Roy Morgan 2018b, p. 26). (The most common chosen response (67%) was, ‘I can access the same content for free’.)

Finally, it is worth noting that a number of initiatives are being developed to understand and rebuild trust in news media. These initiatives are a blend of academic, industry and philanthropic, and include The Trust Project, which has its home at Santa Clara University’s Markkula Center for Applied Ethics. Its website asks: ‘We all think we can tell the difference between opinion, advertising and accurate news. But how do we really know?’ (The Trust Project 2019). Led by journalist Sally Lehrman, it has designed a system of 'trust indicators' – that is, standardised disclosures about the news outlet, the journalist, and the commitments behind their work – to make it easy for the public to identify trustworthy news. One of the key indicators relates to whether the news outlet has clearly made a distinction between opinion, analysis, news and sponsored content. Indeed, having an ethics policy is one of the indicators, which in turn is described as follows: ‘An ethics code should describe your organization’s commitment to journalism that is accurate, fair and complete …’ Google, Facebook and Bing are among those who use the trust indicators ‘and the machine-readable signals associated with them to more easily surface, display or label trustworthy news to their users’ (The Trust Project 2019).

Bias, spin and agendas drive distrust internationally

In 2017, Newman and Fletcher sought to explain the underlying reasons for low trust in news media and social media in nine countries: Greece, France, Australia, Denmark, Germany, Spain, Ireland and the UK. Impartiality was found to be a chief concern. For those who do not trust the news media, the main reasons (67%) for their distrust concern bias, spin, and agendas (Newman & Fletcher 2017, p. 5):

Simply put, a significant proportion of the public feels that powerful people are using the media to push their own political or economic interests, rather than represent ordinary readers or viewers. These feelings are most strongly held by those who are young and by those that earn the least. [And] in many countries, particularly the US and UK, some media outlets are seen as taking sides, encouraging an increasingly polarised set of opinions. Others are criticised for not calling out lies, keeping information back, or creating a false equivalence of partisan opinions that are obscuring facts and understanding (p. 5).

Further, TV is considered less open to manipulation than online media, even though TV is criticised in many countries for putting opinions ahead of facts and pushing partisanship. Meanwhile, social media is widely distrusted for its inaccuracies, extreme agendas and strong opinions. However, ‘across all countries, just 24% say that social media does a good job in helping them separate fact from fiction, compared to 40% for the news media’ (p. 27). This ‘substantial minority’ (p. 5) trust social media precisely for the types of views found there. Some of these people also complain about the bias of mainstream media (p. 5).

Further research into trust and news media has found:
• Swedish citizens have little tolerance for errors and strong expectations that news media publish correct information. However, only those who already trust the media appreciate corrections (Karlsson, Clerwall & Nord 2017).

• Most US adults say they have lost trust in news media, but 69% of those who have lost trust say that trust can be restored (Gallup-Knight 2018).

• When asked why they have lost trust, Americans’ responses tend to centre on matters of accuracy or bias, but transparency about commercial conflicts of interest is also an important factor (Gallup-Knight 2018).

• Students who show an interest in news content are more likely to think campus newspapers and community newspapers are credible. Also, students whose parents encouraged them to read a newspaper found both newspapers more credible than did their peers (Armstrong & Collins 2009).

• Reader comments are both good and bad for credibility. They make online news more appealing but can decrease the credibility of the news outlet (Conlin & Roberts 2016).

• People’s trust in political news can be adversely affected by explicitly-labelled native advertising from political parties (Iversen & Knudsen 2017).

2.5 Consumer concerns regarding impartiality in news

2.5.1 Concerns about standards

In this review, the focus is on literature produced in the past five years. However, some older research can help provide context. As noted in Chapter 1, in 2001, Jeff Brand and Mark Pearson published research that contrasted audiences’ and journalists’ views on news. They noted an A.C. Nielsen Age Poll from 2000 that had found, ‘One in three people believe the practice of journalists distorting reports happens to a very great extent’. They then drew data from surveys, and from in-depth interviews with news professionals and focus groups with audiences. Among other elements, their focus included credibility, bias and inaccuracy. Overall, Brand and Pearson found that audiences' opinions of journalists were considerably lower than journalists’ opinions of themselves. This was particularly true regarding perceptions of credibility. It is worth noting here that these perceptions seem to have changed in recent years, in a 2015 survey of 605 Australian journalists, 55.3% of the journalist respondents stated that the credibility of journalism had decreased during their five or more years of experience in the industry (Hanusch 2015, p. 47). In their study, Brand & Pearson concluded: ‘Clearly, the public perception of the news media’s performance across a range of criteria is less complimentary than journalists’ perceptions of their own performances’ (Brand & Pearson 2001, p. 67). Among other complaints:

the public felt journalists’ own viewpoints and biases intruded into their stories [and] felt the views of advertisers and other powerful elites were represented at the expense of the non-powerful and underprivileged (Brand & Pearson 2001, p. 66).

As this 2001 research reveals, audience concerns about impartiality are not new. And current research affirms that consumers remain concerned by issues of impartiality, bias,
objectivity and accuracy. Results from the 2,031 adults polled for the Roy Morgan Consumer Use of News survey revealed that an increasing number of Australians are avoiding the news. This is not an isolated finding. According to the Digital News Report Australia 2019, news avoidance has risen among Australian news consumers from 57% in 2017 to 62% in 2019 (Fisher, Park, et al. 2019, p. 10). In its survey, Roy Morgan polled 435 adults who had avoided the news in the past week to determine their motivations. The second most common reason (after ‘the news can have a negative effect on my mood’) was ‘I feel that news content is biased towards a particular ideology’, cited by 40% of news avoiders (Roy Morgan 2018b, p. 21). This reflects a similar concern that emerged from the findings of the Digital News Report Australia 2018: when given several options for what concerns them (in the context of real and fake content on the internet), 66% of news consumers expressed concern about ‘stories where facts are spun or twisted to push a particular agenda’. This was the second highest category of concern, after ‘stories that are completely made up for political or commercial reasons’ (67%) (Park et al. 2018, p. 35).

People turn to social, worry about accuracy

Many people continue to use social media to access news, even if the rise of social for news seems to have stabilised (Newman et al. 2019, p. 38). And research is confirming that people – including social media users – are concerned about the accuracy of news on social media. As the Pew Research Center found, ‘Concerns about the inaccuracies in news on social media are prevalent even among those who say they prefer to get their news there – among this group, 42% say that they expect the news they see to largely be inaccurate.’ Still, those social media news consumers who prefer other platforms such as print or television for news are even more likely to say they expect the news on social media to be largely inaccurate (Pew Research Center 2018b, p. 7). There is also a growing literature examining the causes and effects of audience engagement with journalists on social media. One study explored the interactions between audiences and journalists on Twitter in the US, and found:

… expectations about the practice of “good journalism” on social media predict engagement with journalists on Twitter. Second, these personal interactions lead to lower levels of perceived bias in the news media. Finally, expectations of journalists’ performance on social media are explored as a moderator of perceived editorial bias (Gil de Zúñiga, Diehl & Ardèvol-Abreu 2018).

2.5.2 Fake news and false balance

Like trust (and related to it), the phenomenon of ‘fake news’ is also receiving significant academic attention, including questions of consumer attitudes towards it. In 2018, the Australian Digital News Report found that there was a strong link between concerns about fake news and news avoidance – and that more than in four news consumers surveyed who were concerned about fake news had started using ‘more reliable news sources’ (Fisher, Park, et al. 2019, p. 86). The Digital News Report did not directly address impartiality, but instead addressed the broader question of what is ‘real’ news and what is not. A report by Roy Morgan for the ACCC Digital Platforms Inquiry (Roy Morgan 2018a) found that 64% of those surveyed believed they were capable of knowing what is real or fake news. This implies that most Australians recognise that reliable news is important and believe they can spot fake news. However, younger users (18-24 years) and older
users (80+ years) were least likely to agree that they were aware of being exposed to fake news online or that they were capable of knowing what is real news and what is fake news (Roy Morgan 2018c). Interestingly, roughly the same number of digital platform users said online news helped them to distinguish fact from fiction, as those who said online news did not help: 28% agreed that online news helped them distinguish fact from fiction; 25% disagreed (Roy Morgan 2018c, p. 35).

Roy Morgan also examined the exposure to ‘inaccurate news’ by Australian digital platform users. Nearly two-thirds of the 4,308 surveyed (65%) said that in the past month they had personally come across instances of poor journalism, 59% said they had encountered the use of the term ‘fake news’ by politicians or others to discredit news media they didn’t like and 57% had encountered advertisements that looked like real headlines or ‘clickbait’. And as reported earlier, in one of the few findings that directly relate to attitudes regarding impartiality: more than six in 10 said they had encountered stories in the past month where the facts had been ‘spun’ to push a particular agenda (62%). A further 38% said they had encountered completely false stories that were made up for political reasons (Roy Morgan 2018c, p. 37). ‘These results are relatively consistent with the findings … that DP [digital platform] users tend to prefer using online sources that are connected to a known and trusted offline source’ (Roy Morgan 2018c, p. 37).

The link between trust and fake news

Annually, one of the largest surveys of trust in media, as well as in other institutions, is conducted by Edelman. The 2019 Edelman Trust Barometer surveyed more than 33,000 individuals in 27 markets to find that there has been a global increase in trust levels, but that there is still widespread distrust. Moreover, the report drew a clear link between media distrust and fake news. In particular, trust in social media was found to be low, with 73% worrying about false information or fake news being used as a weapon (Edelman 2019).

A news landscape marked by ‘pervasive ambiguity’

In the US, Andrea Wenzel (2019) describes a news ecosystem marked by political fragmentation, distrust and ‘fake’ content. She ran 13 focus groups devoted to news and social media habits in four distinct regions. Her aim was to employ a communication ecology framework to look at how audiences cope with ‘pervasive ambiguity’. The study found that citizens cycle back and forth between verifying information and disengaging from news, often in order to relieve their stress. The focus groups revealed participants had strong beliefs about the partiality of certain media. One Kentucky resident aged 30-49, for instance, thought Facebook was anti-conservative. ‘There's nothing Facebook can do at this point to make me think that they're impartial or balanced’ (Wenzel 2019, p. 1987). The focus groups also confirmed the ‘third person effect’, by which individual participants tend to think they are less susceptible to fake news and misinformation than other citizens (p. 1982). Many participants were concerned about the blurring of opinion and facts. As one California participant said regarding legacy outlets: ‘It's hard to tell if it's their opinion or news ... Even facts are opinions’ (p. 1982). Participants also said that partiality was often manifest in the way news outlets omitted to report certain stories. Many news outlets 'hush up things', said Bob, a 67-year-old in Indiana (p. 1983).
A study by Rasmus Kleis Nielsen and Lucas Graves (2017) drew data from eight focus groups and a survey of online news users to understand audience perspectives on fake news in the US, the UK, Spain, and Finland. They found that people see the difference between fake news and news as one of degree rather than a clear distinction. In fact, when asked to cite examples of fake news, people tend to identify poor journalism, lying politicians and even some types of advertising rather than false information dressed up as news.

Our findings suggest that, from an audience perspective, fake news is only in part about fabricated news reports narrowly defined, and much more about a wider discontent with the information landscape – including news media and politicians as well as platform companies. Tackling false news narrowly speaking is important, but it will not address the broader issue that people feel much of the information they come across, especially online, consists of poor journalism, political propaganda, and misleading forms of advertising and sponsored content (p. 1).

Fact-checking continues to grow as a strategy to counter fake news and build trust, with various approaches and initiatives being developed. Some have raised concerns that fact-checking might create a partisan backlash. Certainly, researchers are showing fact-checking is no silver bullet (Amazeen et al. 2018).

**News literacy and concerns regarding misinformation**

The *Digital News Report 2018* examined data from selected markets to find that users with high levels of news literacy are particularly concerned about facts being twisted and fabricated stories. Specifically, among news consumers with very high news literacy, 66% reported concern about 'stories where facts are twisted to push an agenda' and 62% were concerned about 'stories that are completely made up for commercial or political reasons' (Newman et al. 2018, p. 38). As shown by Figure 2.4, these concerns were considered as significantly less worrying among those with lower levels of news literacy. The results thus suggest that increasing news literacy may well increase user concerns about various types of misinformation (Newman et al. 2018, p. 39).
Figure 2.4 Proportion who are very or extremely concerned about each type of misinformation by news literacy – selected markets

A poll of 4,214 adults conducted in the US in 2018 found that nearly half of Democrats believe that mainstream media is more interested in making money than telling the truth, and more than three-quarters of Republicans believe the same, as shown in the chart below (Frost 2019; exact percentages were not supplied).

Source: (Newman et al. 2018, p. 39)
Figure 2.5 Do you agree or disagree with the statement ‘The mainstream media is more interested in making money than telling the truth’?

<table>
<thead>
<tr>
<th>Focused on Profits</th>
<th>Do you agree or disagree with the statement “The mainstream media is more interested in making money than telling the truth”?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strongly agree</strong></td>
<td>Neither</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Somewhat agree</td>
</tr>
<tr>
<td>Democrats</td>
<td>Republicans</td>
</tr>
</tbody>
</table>

Source: (Frost 2019, p. 71).

**False balance**

In some of Ofcom’s most recent research the British communications regulator found evidence that consumers are worried about false balance, or the notion of balance as bias. As one 74-year-old male said: ‘It concerns me that in many what appear to be objective news stories you have to have a counter-balancing view which is a populist or, if you like, 'Trumpian' view … we are in danger of seeing balance as the ultimate objective, when in fact you're obscuring the truth by seeking balance. I think that's wrong' (Ofcom 2019b, p. 39). A second interviewee made the same point, more explicitly tying it to impartiality:

> I think that they've got this idea of impartiality, and I think that's good. It's what the BBC should stand for. People should be able to trust their reporting. But I don't think that they've defined what impartiality means for them, and I think in Brexit – and in what they've continued to do to varying degrees since – they have equated impartiality with giving two sides of an argument equal credence and an equal platform to discuss their points (p. 39).

Researchers have observed the problem of ‘balance as bias’ or ‘false balance’ in science journalism and have found that it can increase audience uncertainty. ‘Counterbalancing a truth claim backed by strong scientific support with a poorly backed argument can unnecessarily heighten audience perceptions of uncertainty’ (Kohl et al. 2016). This problem, researchers found, can be reduced by ‘weight-of-evidence’ reporting, which gives a better idea of how experts stand across truth. ‘Weight-of-evidence strategies can indeed play a role in reducing some of the uncertainty audiences may perceive when encountering lop-sided truth claims’ (Kohl et al. 2016).

**2.6 Consumer capacity to recognise (im)partiality**

In 2013 and 2014, Tanya Muscat interviewed 40 commercial television news viewers in Sydney. Several interviewees discussed that reporting was often partisan, with 35% of participants perceiving that political agendas influenced the production of news content. As Greg (18-30) said: ‘You don’t get a range of opinions on some of the big issues of the
day on commercial television, you do across mediums.’ Several participants recognised
that they deliberately chose news sources that aligned with their own outlook. As Mike
(31-45) said, ‘I’ve often thought to myself, whether I’m choosing them because I feel that
there’s a particular bias that’s more to my worldview? ... I would say, yes I probably am
guilty of that’ (Muscat 2018).

A Pew Research Center survey of 5,035 US news consumers found three issues
concerning issues around consumer recognition of bias. One, both Republicans and
Democrats are more likely to think statements are more factual when they appeal to their
side (Pew Research Center 2018a, p. 7); two, whenever Americans identify a statement
as factual (whether rightly or wrongly), they overwhelmingly tend to think of it as accurate
(p. 10); and three, whenever they incorrectly label a statement as opinion, they tend to
disagree with it (p. 10). This concentrated research has not been replicated in Australia.

Although a smaller data set, South Korean research found similar results. After an online
survey involving 226 participants in South Korea, Kim found that participants rated a news
article as less biased when it was attributed to a partisan source consistent with their own
position, than when it was attributed to a partisan source inconsistent with their position
(Kim 2016).

2.6.1 Media literacy in Australia

There is a vast and growing body of literature into media literacy, and into the sub-topic of
news media literacy (Nettlefold 2018, pp. 67-71). Indeed, thinking about media literacy
has changed significantly since the field emerged in the late 1970s (Nettlefold 2018, p.
68).

In Australia, news literacy levels are low. In 2018, the Digital News Report Australia
found that more than two thirds (68%) of Australian news consumers have low or very low news
literacy. Rates of news literacy vary dramatically by source. Whereas audiences of The
Guardian and the ABC tend to have higher news literacy, three quarters (76%) of news
consumers who rely on social media for their news have low or very low news literacy
(Park et al. 2018, p. 10). These findings were not based on self-assessment. Rather, they
were based on asking participants multiple-choice questions about the news environment
(Park et al. 2018, p. 43). From the data, the authors also note that those with lower news
literacy levels seem to have greater trouble identifying fake news and misinformation
(Park et al. 2018, p. 47).

Nettlefold & Williams surveyed Tasmanian primary and high school teachers. They found
77% of teachers feel equipped to guide students on whether news stories are true and
can be trusted, but 23% do not (Nettlefold & Williams 2018, p. 5). These teachers are
almost unanimous in regarding critical thinking about media as important, but nearly a
quarter (24%) only rarely ran classroom activities that involved critical engagement with
news stories into a classroom activity (Nettlefold & Williams 2018, p. 7). Many of those
surveyed, and especially those at the secondary level, worry about their students’ reliance
on mobile and digital media: ‘Most say students are heavily exposed to multiple sources of
information and yet are ill equipped to distinguish accuracy, bias, and fakery in text and
images on the internet or social media platforms’ (p. 6). Not surprisingly, the data
overwhelmingly reveals that teachers want more support and resources to teach news media literacy (p. 8).

In their survey of Australians aged 8-16, Notley et al. confirmed Nettlefold's findings about the sporadic and inadequate nature of media literacy. Quite simply, 'young Australians receive infrequent lessons about how to critique news media' (Notley et al. 2017, p. 10). Only one in five young people said they had received news stories in the past year to help them assess if stories were true and trustworthy.

Annually, Ofcom also releases a report on adult media literacy, which the regulator defines as 'the ability to use, understand and create media and communications in a variety of contexts' (Ofcom 2019a, p. 1). It blends quantitative and qualitative research. Key findings from 2019 include: mobile phones are increasingly integral to daily life; one in three adults now never use a computer to go online; video-on-demand and streamed content is becoming a key part of viewing for adults; social media users are becoming less likely to encounter views they disagree with; and one in 10 internet users say they don't worry about the veracity of content found online (but more internet users are verifying information) (p. 1). To expand on the second-last point:

Compared to 2017, social media users are less likely to say they see views they disagree with; a quarter say they ‘rarely’ see views on social media they disagree with (vs. 18% in 2017). As such, more social media users say they ‘rarely’ see views they disagree with (24%) than say they ‘often’ see views they disagree with (17%) (p. 9).

On the last point: search engines are the most popular means for accessing information online. However, only six in 10 internet users understand that some of the websites returned will be accurate and unbiased, while others will not be. In other words, only six in 10 internet users have a critical awareness about the variability in accuracy and impartiality of content, and, worryingly, this proportion has not improved since 2011 (pp. 17-8). By contrast, one in five internet users believe that if the results are returned by a search engine, then those websites will contain accurate and unbiased information (p. 18).

Returning to the German research by Urban and Schweiger, while they found impartiality is relevant for user assessments of news quality, they further found that it is difficult for news users to assess impartiality. Further research has shown that many news users are bad judges of impartiality. In the United States, Emily K. Vraga and Melissa Tully (2015) tested whether a short media literacy public service announcement (PSA) can influence credibility and hostility ratings towards a political program. The study found that those who are partisan often rate neutral content as biased against their own view. This is known as the ‘hostile media perception’ and is more pronounced among conservatives. The PSA improved conservatives’ evaluations of a neutral or conservative host but made them even more hostile to a liberal host. Liberals’ evaluations were unaffected by the PSA (Vraga & Tully 2015).

2.6.2 How good are people at separating factual reporting from opinion writing?

The research clearly reveals that many Australians have low news literacy levels, and that news literacy education is often lacking, including among young Australians. However, In Australia, there is little research on how good news consumers are at distinguishing news
In contrast, one large US study probed how well adults were able to tell factual statements from opinion statements. In 2018, Pew Research Center surveyed 5,035 US adults to ask if members of the public can distinguish a factual statement (something capable of being proved or disproved by objective evidence) from an opinion statement (something that reflects the beliefs and values of the speaker/writer). The survey found that audiences struggle. Asking participants to distinguish between five factual statements and five opinion statements, the study found the majority of US news consumers correctly identified at least three statements. However, this is barely any better than random guesswork (Pew Research Center 2018a, p. 3). Meanwhile, roughly a quarter got most or all wrong. The results were significantly better among those who are politically aware, those who are digitally savvy and those who place ‘high trust in news media.’ Almost four in ten Americans who have a lot of trust in the information from national news organizations (39%) correctly identified all five factual statements, compared with 18% of those who have ‘not much or no trust’ (p. 4). This study probed whether adults could distinguish between types of statement, such as the fact statement, ‘ISIS lost a significant portion of its territory in 2017’, and the opinion statement ‘Abortion should be legal in most cases’ (p. 12).

2.7 Managing impartiality

2.7.1 Media literacy

One strategy that has been proposed to help consumers, including when it comes to issues of impartiality, is media literacy training. In 2018, Jocelyn Nettlefold identified a growing body of evidence showing the problem of fake/false news requires a multi-stakeholder, cross-disciplinary response. Further, she argued that the literature shows that media literacy is a key component of that response. In the US and Europe, partnerships are being formed by media organisations, academics and civil organisations to devise media literacy strategies and resources. Key recent studies advocate more transparency, more research and the education of citizens through collaborative, multidimensional programs. Such responses are starting to emerge in Australia (Nettlefold 2018, p. 72).

The concept of media literacy is being approached in new ways, at the school level and in the community. Recent scholarship suggests that media literacy efforts need to be tailored for specific communities and should incorporate learning about features of the contemporary media ecosystem, like algorithms, the role of bias and analysis of emotional responses … there is an urgent need for ongoing evidence-based guidance from a cross-national perspective about how to equip and empower people to navigate, and participate in, the changing news and information landscape (Nettlefold 2018, p. 73).

One suggested method for developing news media literacy involved increasing the amount of news made specifically for young people. The authors found 28% of teens and 57% of children regularly (once a month or more) accessed news media created specifically for children. ‘The comments we received in our survey about why news is important to young people not only highlights the role and value of news, but also the need for news media to be created especially for them’ (Notley et al. 2017, p. 10).
Given that children and adolescents comprise about one-third of internet users, UNICEF has said that media literacy is critical to the wellbeing of future generations (Nettlefold 2018, p. 70). However, the effectiveness of media literacy programs remains unclear, with a need for more research (p. 69). Commonly, there is a recognition that media literacy must be accompanied by regulatory reform (among other mechanisms), to ensure the best chance of a healthy media diet among citizens, and particularly children (Rush 2012).

2.7.2 Regulation

Various reforms have been proposed for the regulation of news and current affairs. The regulation of impartiality includes measures to promote fairness, balance and accuracy. Above, it was noted that the bill tabled in 2017 to add the words 'fair and balanced' to the ABC Board's remit. Earlier, in 2012, two major Australian inquiries into the Australian media – the Finkelstein Report and the Convergence Report – both recommended that a single body given the responsibility for overseeing the regulation of news and current affairs on all platforms (Department of Broadband Communications and the Digital Economy 2012; Finkelstein & Ricketson 2012). This would have replaced the existing system, under which the ACMA oversees broadcast content and the Australian Press Council (APC) imposes a system of industry self-regulation (Briedis & Renton 2012). In their analysis of Australian and UK codes of practice, Briedis and Renton argue that accuracy and fairness are consistently recognised and protected, but nowhere are the terms defined (Briedis & Renton 2012, p. 42.3). The authors further note that decisions by the APC or the ACMA do not create precedent or develop principle, which means the concepts such as fairness and accuracy remain vague and uncertain. The authors support the calls by the Finkelstein and Convergence Reports for a single regulator and argue that ‘the news standards body should develop key principles, over time, through written decisions, in order to provide greater certainty. In doing this, it should maintain the distinction between genuine principle and prescriptive rules’ (Briedis & Renton 2012, p. 42.5). In this way, regulators would also be forced to maintain a clear distinction between news and comment: ‘It should be clearly stated in the new code that accuracy and fairness relate only to fact, and not to comment’ (Briedis & Renton 2012, p. 42.5). Further, this code ought to be platform-neutral, and apply consistently across media and platforms (Briedis & Renton 2012, pp. 42.5-.6). This is perhaps increasingly relevant in a news ecosystem where an increasingly prominent role is played by social media, search engines and other new players, and where search engines (among other platforms) can determine tight elections (ACCC 2018; Epstein & Robertson 2013; Fisher, Park, et al. 2019).

In 2015, a team of medical ethicists considered the attitude of the public toward health reporting, and specifically on the relationship between journalists and private corporations. In the ‘small, exploratory study’ (referred to in section 1.7.2 above in relation to consumer attitudes to disclosure of commercial content), the researchers interviewed 13 journalists and 12 industry employees, and held two focus groups with consumers. The researchers asked whether greater transparency was needed and/or whether greater regulation was necessary. The results were mixed. Some consumers argued that transparency and/or regulation were needed; others saw no need, or were ambivalent: ‘The reasoning here was partly that it is difficult to know where to draw the line in terms of what kinds of
interactions are significant enough to warrant regulation or disclosure’ (Lipworth et al. 2015, p. 254). This is a key point that would seem to apply much more widely: news consumers have differing expectations. When it comes to impartiality, they want different things. Some don’t know what they want. Given this variation of expectations and norms, it becomes exceedingly difficult to draw the line between what is acceptable, and what is unacceptably partial. Consumers' attitudes to the importance of partiality in health journalism were anything but unanimous:

It was also noteworthy that some consumers appeared to be somewhat oblivious to the role that journalists have in constructing news stories. They did not show any awareness that journalists could shape stories … But just as consumers' views of the need for disclosure and regulation were mixed (and changeable), so were their views of journalists and industry. Some consumers held journalists responsible for public well-being and construed industry as untrustworthy and journalists as easily (and problematically) manipulated by industry-journalist relationships (Lipworth et al. 2015, p. 255).

Ribeiro et al. (Ribeiro et al. 2018) propose a scalable methodology to infer the biases of thousands of news sources on sites such as Facebook and Twitter. They base their method on advertiser interfaces, which give key insights into the audiences of those sources.

We show that the ideological (liberal or conservative) leaning of a news source can be accurately estimated by the extent to which liberals or conservatives are over-/under-represented among its audience. Additionally, we show how biases in a news source’s audience demographics, along the lines of race, gender, age, national identity, and income, can be used to infer more fine-grained biases of the source, such as social vs. economic vs. nationalistic conservatism.

The authors test the 'scalability' of this method by developing a system that makes visible to any internet user the biases in audience demographics for more than 20,000 news outlets on Facebook.

2.7.3 Government support for news

Funding public broadcasters

It is noted that the ABC remains the country's most trusted news source. This is a theme internationally: public broadcasters tend to be highly trusted, in part because they are regarded as impartial (Elvestad & Phillips 2018, pp. 126-7). In fact, the pro-social impacts of public broadcasters are much broader. Globally, researchers credit public broadcasters with creating more trusting and cohesive societies, and with fostering democracy (pp. 126-7). As Elvestad and Phillips summarise:

The research we have analysed tells us that the best way of ensuring that a central space for democratic debate is maintained, and not polluted by accusation and counter-accusation of bias and 'fake news', is by investing in public service media that is rigorously independent and funded for the public good (Elvestad & Phillips 2018, p. 168).

This is not to suggest, however, that there is universal backing for the notion that government ought to pay to support journalism. Not only do public broadcasters have detractors, but some people have also expressed concern that government funding for news is undesirable because it has the potential to compromise impartiality. In Canada in 2017, the Public Policy Forum published extensive research into the role of news media. The research included: a literature review, six roundtables across Canada, a symposium
on digital news innovation, interviews with industry leaders and experts, four focus groups in English and two in French as well as an online survey with a random sample of 1,500 adult Canadian respondents. The results came down on the side of Canadians not wanting the government to pay to support news. The results showed that just over half of Canadians (54%) consider that government should not pay to help the news, whereas only 25% supported the idea. As a focus group participant said, if digital platforms are eating up the profits of news companies, 'it is your responsibility to figure out how to get people to come in your front door. Car dealers, taxis – if they can’t figure it out, then they go away.' As another participant said, 'I would be concerned about government influence' (Public Policy Forum 2017, p. 45). Further, 75% of Canadians worried that if money went to journalists, it would affect their impartiality, while 68% said they had impartiality concerns about the prospect of government money going to news organisations (p. 46).

As the report summarised:

‘Canadians are extremely leery of any measure, however well intentioned, that gives the state a place in the newsrooms of the nation. Policies that might influence coverage are out of the question. News organizations and journalists are held in high esteem as guardians of democracy, so much so that there is little appetite for using taxpayers’ dollars to prop up failing news corporations as they attempt to 'transition' to a new environment (p. 46).

However, the report also noted that the sources of opinion are multiplying, whereas sources of fact are diminishing (p. 48).

A subsequent Canadian study from 2018 found that, 'News content, and the perception of increasingly partisan coverage of news, was a source of concern for some participants'. As one of the focus-group participants said: 'The government needs to pay to ensure journalists can deliver real information to us, free from partisanship' (EKOS Research Associates Inc. 2018). In March 2019, the Canadian government revealed details of its fund to support journalism, which will give tax credits and further incentives to traditional media organisations struggling in the digital age. In February 2018, Australia's Senate Select Committee on the Future of Public Interest Journalism recommended extending deductible gift recipient (DGR) status to not-for-profit news organisations, and exploring the option of making subscriptions to news media tax-deductible for all Australians (Senate Select Committee on the Future of Public Interest Journalism 2018).

By contrast, in a 2011 report for the US Federal Communications Commission, Steven Waldman argued that the government ought to pay to foster impartiality. Specifically, Waldman recommended that the federal government redirect its existing advertising spending toward local media:

'The federal government should consider targeting some of the money it already spends on advertising to local news media, both commercial and nonprofit, traditional and online. (That amount was roughly $1 billion in 2005). Such efforts must include measures to guard against political bias and manipulation and ensure that government marketing goals are not compromised (p. 29).

Clearly, the issue of government funding for journalism is contested, and this is largely because of concerns regarding impartiality.'
2.8 Gaps

Several fundamental questions about the attitudes and uses of Australian audiences regarding the impartiality of news remain under-unexplored. Are news consumers becoming less able to identify whether or not content is impartial? Is impartiality as valued by consumers as it was in a pre-digital age? In short, how are notions of impartiality and its value shifting? As the media ecosystem continues to be disrupted, significant scope exists for research into these fundamental questions.

- As noted above, in 2018 the Pew Research Center surveyed 5035 US adults to ask if they can distinguish a factual statement (something capable of being proved or disproved by objective evidence) from an opinion statement (something that reflects the beliefs and values of the speaker/writer). The results showed that Americans are poor at distinguishing fact statements from opinion statements. This foundational, concentrated research has not been conducted in Australia.

- Perhaps even more notable is the absence of the kind of research conducted in the UK by Ofcom, which separated attitudes to the importance of impartiality according to media source (e.g., television news compared to social media) (Ofcom 2017b, p. 68). While there is now an expanding body of knowledge on consumer attitudes to concepts such as impartiality in online content, there is less about traditional media. Narrowing this down further, it can be seen that the content analysis that has been conducted in Australia is mostly in relation to print media, and that there is an absence of research about broadcasting, even while television remains the most general source of news for Australian news consumers (Fisher, Park, et al. 2019, pp. 26-7).

- Research that attempts to distinguish the related concepts of impartiality, bias, objectivity and independence and to test whether which aspects consumer value and which should be promoted and even regulated in some way has not yet been conducted. A specific question emerging in the literature concerns 'false balance', or 'balance as bias' (Ofcom 2019b, p. 39). Do Australians think this is a problem?

- As noted above, content analysis of news reports is limited, even though regulators do make decisions on the impartiality and fairness of news reports in response to complaints from media consumers. Some researchers have examined specific topics, but there is no comprehensive piece of research using a methodology established in conjunction with one of the standards bodies.

- Several technological innovations are raising new issues. The algorithms that power recommender systems of news sites and digital platforms are not impartial. However, their workings are opaque. Research shows Australians have a poor understanding of how digital platforms curate online news (Roy Morgan 2018c, p. 36). And research from the UK indicates that for one in five consumers’ search engine results give the perception of impartiality (Ofcom 2019a, p. 18). Analogous research has not yet been conducted in Australia.

- On the subject of funding journalism, there are issues of government interventions and impartiality. Currently, it is not known whether Australians think giving news
producers tax breaks or other injections will render them less partial, as some in Canada have argued (Public Policy Forum 2017, p. 46).

- Some areas are relatively well-researched. Media literacy, for instance, is already the subject of considerable and ongoing research. Similarly, the topics of trust and fake news are not under-researched. However, gaps remain. One concerns the impacts and effectiveness of news literacy education, with a view to devising media literacy strategies and curricula; moreover, there is a lack of research into the connection between news literacy and impartiality. Another concerns the issue of news avoiders, many of whom avoid the news because of perceptions of bias. There is also further scope to explore the nexus between trust and payment, which is yet to yield clear and consistent findings.
Conclusion

This report has examined the existing evidence on Australian consumer use and attitudes to news and current affairs regarding commercialisation and impartiality. It forms part of a broader review of literature and research that was conducted by the CMT covering four separate topics: commercialisation; impartiality; diversity and localism. The release of material related to diversity and localism will be confirmed by the ACMA.

The academic literature reviewed in this report indicates that knowledge of the uses and attitudes of news consumers regarding commercialisation and impartiality remains very much a work in progress. Some uses and attitudes are well studied and documented. But many are not – and if they are, they appear under-represented in Australian academic literature.

The CMT seeks to use this conclusion to highlight areas for further research. We make particular note of local studies that warrant revisiting; studies from overseas that may be useful to replicate here and local or overseas research that we found particularly insightful. In doing so, we acknowledge that there are many areas of commercialisation and impartiality that would benefit from further attention by a range of institutions.

This report should not be taken as an attempt to describe the state of the Australian media in general or the wider attitudes of news consumers. Despite this, two broad observations can be made on matters that connect the specific areas of commercialisation and impartiality:

- the findings of research into trust in media and responses to fake news suggest that new forms of commercial content – specifically, practices that raise ethical questions about the separation of editorial and commercial content – may in time be linked to a perceived lack of impartiality;
- the proliferation of opinion observed as a concern in the impartiality chapter is tied to the commercialisation of the news space and impacts on the type of diversity consumers receive from new ‘news’ entities.

Commercialisation

Understanding consumer attitudes to many aspects of commercialisation in Australia is something of a greenfield site. As noted in the body of the review, local research is available when discussing broader concerns about commercialisation and how such issues affect the relationship between news media and consumers. But consumers remain a largely under-examined aspect in such areas as perceptions of commercial influence, capacity to recognise commercial content and the effectiveness of disclosure mechanisms. These gaps are discussed in the report.

One point to stress here is that while broadcast media retain very significant audiences in Australia, there may be a risk that heightened interest in digital media results in the failure to inquire whether popular news sources are using commercial practices that their audiences – were they aware of them – would see as undermining long-established standards of journalism.
In general, there are already existing research methods that would be suited to this topic. The research in 2018 by Ad Standards, for example, involved a combined qualitative and quantitative study comprising a seven-day online discussion board with 35 participants, and a survey of 1,027 Australians (Ad Standards 2018, p. 64). This study explored, among other things, levels of concern regarding the distinguishability of advertising, but it did not ask people to think explicitly about news.

One exception to this – and an aspect that does not fully emerge from the literature reviewed here – is the impact of commercial influences other than advertising. One aspect is the influence of owners. This is a topic often dealt with in general literature (for example, biographical accounts) but seldom in scholarly research. Another aspect we note in Chapter 1 is the drift towards practices that may better be described as public relations, but there appears to be little consideration of this in relation to news programs and publications. There is now some attention to lifestyle journalism, an area that may warrant greater study. As Hanusch et al note (2017, p. 146), the walls between editorial and advertising are eroding and as they do, there is greater capacity for commercial concerns to infect the news. Audience perspectives on these influences will be as important as an understanding of the practices themselves.

There are, however, numerous other areas of useful further inquiry including the pressing question of whether news consumers can recognise commercial aspects of news and current affairs. Australians appear to lack confidence in their ability to spot mis- or disinformation, a potential area for concern. The 2018 Digital News Report (Park et al. 2018) canvassed a form of native advertising – advertising dressed up as news content – and found a relatively wide exposure to it. Other research has found wide exposure to advertisements that look like real headlines (Roy Morgan 2017).

Much of the debate – and research – about fake news relates to its political impact. But the ability (or inability) to spot and avoid commercial content is not limited to the online environment and may well require effort on multiple fronts, including news media literacy and a better understanding of demographic differences.

Finally, it would seem important to address these issues in the short term – not only to avoid a preventable slide down to lower standards of journalism but to provide some direction to media businesses that, facing competition from global media and digital platforms, are seeking new sources of revenue.

**Impartiality**

One of the most striking aspects of impartiality is how firmly it is embraced by consumers, though in conceptual terms its boundaries are uncertain. The existence of similar but competing concepts – objectivity, fairness, independence – may cause confusion, and so responses to a single question in a survey are unlikely to provide an accurate picture of what consumers, or indeed journalists, understand by this term.

Nevertheless, existing research shows impartiality, or something like it, remains a key concern for consumers. As we note in Chapter 2, qualities such as ‘neutral and unbiased’ or ‘independence from political and/or government interests’ rate very highly with consumers in Australia, while ‘impartiality’ in television news was important for 90% of
adults in the UK (Ofcom 2017b). When we combine this with the finding that only 31% of Australian news consumers agree with the statement that ‘media is independent from undue political or government influence most of the time’ (Park et al. 2017, p. 12), we can see cause for concern.

It is curious, given its place in the ethics and regulation of newsgathering and the public attention given to ‘fake news’ over recent years, that we do not know more about what Australians think is involved in impartiality. Its importance is underlined by the link to trust, which we know to be in decline: Newman and Fletcher’s 2019 study of nine countries including Australia showed that bias, spin, and agendas is one of the main reasons (67%) for those who do not trust the news media (Newman & Fletcher 2017, p. 5). Also important is the link to quality: Urban and Schweiger’s study of several hundred German news users found that ‘recipients do recognize differences in quality to some extent where they reflect issues of relevance, impartiality and diversity. But recipients found it hard to evaluate the ethics, objectivity and comprehensibility of a news item’ (p. 821). Finally, there is the link to transparency: in Chapter 2 we noted Riordan’s study of the key editorial standards in digital media that argued for ‘transparency in addition to (not in place of) impartiality’ (Riordan 2015, p. 3).

As we saw, McNair (2017) argued for a program to revitalise the concept of objectivity: ‘The concept of objectivity can and must be re-evaluated in the digital era, if such a thing as a globalised public sphere, able to support further democratic progress in the decades ahead, is to be built from the ‘cultural chaos’ of the internet’ (McNair 2017, p. 1318). But it is the relationship between impartiality and ‘bias’ that is perhaps of most interest, given consumers do cite bias as a concern in news coverage. When disapproving of bias, are people suggesting there are some types of news or current affairs that should be impartial? Qualitative research seems to indicate that disapproval of bias is tied up with proliferation of opinion (McNair et al. 2017), but the separation of news and opinion is a separate matter from the requirement of news to be impartial. Sorting out these concepts is perhaps a difficult task in an environment where different media have their own codes of practice, but it appears to be a necessary one.

And there are other reasons for addressing this. While the research shows that Canadians, like Americans, are concerned at the prospect that government might have some role in financially supporting news organisations, providing tax relief and some form of subsidy may not be a problem for Australians. The ACCC’s research (Roy Morgan 2018b) suggests this might be the case as being commercially funded and ‘independence from government funding’ did not rate highly on a test of qualities that prompt trust. Further, there is some application of the ‘regulatory imbalance’ argument here, discussed by the ACCC in its preliminary report for the Digital Platforms Inquiry (ACCC 2018). News providers are subject to regulatory (or at least self-regulatory) obligations; the ongoing justification for them may need to have some regard to the expectations that consumers have for standards like impartiality across different media types and platforms.

In this multi-platform environment, the relevance of impartiality appears to be increasing rather than receding.

Concluding observations
The CMT will end this review with a few general comments about research directions.
First, the work of Jeff Brand and Mark Pearson for the Australian Broadcasting Authority in 2000/2001 represented a benchmark in media research that has not been reproduced. This report for the ACMA draws heavily on that work in several chapters, demonstrating its enduring value. Apart from the quality of the work itself, its real value comes from the dual focus on consumer attitudes and behaviours and those of industry practitioners. The investment in a contemporary version of this research – conducted in a markedly different media environment – would no doubt provide similar returns, both to researchers and regulators.

Second, in several areas, this report illustrates the all-encompassing nature of change in the news media landscape. None of the four areas that formed part of our broader inquiry has been left untouched. Perhaps the most useful contribution at this stage is to offer a form of high-level risk analysis of the two areas examined in this report.

*Commercialisation* attracts an amber light on account of the little we know about practices which may lead to serious erosion of some fundamental assumptions about the way we treat editorial and commercial content. Or they may not – it’s possible that consumer expectations are changing, and industry standards will change with them. The point is that so little is known about the practices themselves and the ways in which Australian consumers navigate them.

*Impartiality* has a red light setting. This is because there is sufficient evidence internationally and in Australia to demonstrate both the importance consumers attribute to impartiality in news, and just how far they think we have moved away from it in practice.

Unsurprisingly, there are also significant risks regarding diversity and localism that were noted by the CMT in the broader report covering the four topic areas.

Our concluding thought is about the challenge for researchers: whether they can adapt their own research practices fast enough to understand what significant changes in industry and consumer practice are and what are not. And whether, armed with knowledge, they can then suggest action.
Appendix

Important notes on survey samples referred to in this report

Every effort has been made to ensure that data and any analysis of data is presented in this Literature Review Report so that it includes important notes about the data source to enable the reader to interpret findings appropriately. However, in some instances there are additional notes to further understand the data that should be referred to in the original source.

Some notes on key sources referred to in this report are provided below.

Key Australian Sources

Digital News Report (DNR) series

The methodology overall has remained consistent over the years of this international study, with necessary minor modifications that are noted in the reports. The DNR 2019 Australia report notes that ‘Core questions were asked in all 38 countries in order to provide an international comparison. The questionnaire and the overall project methodology were consistent across all territories.’

The DNR 2019 Australia report is based on an online survey of 2,010 respondents, weighted to targets based on age, gender and region.

DNR refers to ‘news consumers’ and ‘Australian news consumers’. The term ‘online news consumer’ is used for news consumers who use online news (e.g., see ‘paying for online news and donation’) which is not the same as the full sample.

In this Literature Review Report, the terms used in the DNR report are used, but it should be noted that findings based on total sample are representative of ‘news consumers who are online’ (because (a) the DNR is an online survey and (b) the sample eliminates people who have not used news in the past month).

Methodology note at the beginning of the Australia DNR 2019 report is that:

The survey was conducted by YouGov using an online questionnaire at the end of January/beginning of February 2019. The sample was drawn from a panel of 72,242 online Australians. The final sample is reflective of the population that has access to the internet. To be included, respondents must have consumed news in the past month. As a result, 11% of the initial survey respondents were excluded. The data were weighted to targets based on age, gender, and region to represent the total population of each country. In Australia, a quota based on Australian Bureau of Statistics census data was set using gender, age, region, and for the first time, education.

Australian sample

As this is an online survey, the results will underrepresent the consumption habits of people who are not online (typically older, less affluent, regional residents, and those with limited formal education). The survey in Australia was conducted in English and does not represent the linguistic diversity of Australia.
Roy Morgan – Consumer Use of News 2018

Online consumer survey of 2,031 Australian adults aged 18 years and over. The final survey sample (n=2,031) was weighted to the total population of Australians aged 18 or more based on September 2018 population data provided by the ABS. The weights were applied by age, gender and region.

Roy Morgan – Consumer Views and Behaviours on Digital Platforms 2018

Online consumer survey of 4,308 Australian ‘digital platform’ users (digital platform is defined to be a search engine, social networking site or other content aggregator site) who was aged 18 and over and living in Australia.

Minimum interlocking quotas were set for age by sex by region (metro vs regional) to ensure representativeness across those areas and sufficient numbers in each quota group to enable deeper analysis into each as required.

Unless referring to a smaller sub-group, overall findings are referred to as being representative of ‘digital platform users’.

Ad Standards 2018 Community Perceptions of Clearly Distinguishable Advertising Research

Online quantitative survey of 1,027 Australians aged 13+. Quotas and post weighting were used to ensure the sample was representative of the Australian population in terms of age, gender and location.

This research also contained qualitative findings from a one-week online discussion board with 35 participants aged 13-55 who were users of social media.

ACMA Communications Report 2017-18

The ACMA commissioned survey for this report comprised a total of n=2,106 respondents (n=1,843 online interviews with Australian adults plus n=263 computer-aided phone interviews (CATI) to reach the adult population who are not regularly online). The survey was weighted so as to be representative of the Australian population aged 18 years and over.


An online survey with more than 2,000 consumers surveyed in Australia. All data is weighted back to the most recent census data in each country.

Key International Sources

Ofcom News Consumption in the UK

Ofcom's News Consumption survey has been conducted on a yearly basis, since 2013, using a face to face omnibus methodology. In 2017/18 the methodology was changed to a standalone survey using a mix of face-to face CAPI and online interviews. For the 2019 report the effective sample size is 3,245. Quotas were set to represent the population of each sampling point, which meant the overall quotas closely matched the population within each BBC TV region/Nation in terms of age (16-24, 25-44, 45+), gender and socio-
economic group (AB/C1/C2/DE). Post-weighting was also applied for age, gender and socio-economic group.

**Ofcom Adults’ Media Use and Attitudes Report**

This report examines adults’ media literacy. Ofcom’s definition of media literacy is ‘the ability to use, understand and create media and communications in a variety of contexts’. The report draws largely on quantitative results from the Adults’ Media Literacy Tracker research. The Adult Media Literacy Research 2018 interviewed a quota sample of 1,882 adults aged 16 and over. Interviews were carried out across 225 different sampling points in the UK, face-to-face, in home. Quotas and post-weighting were used so the data is representative of adults aged 16+. The quotas and weighting were based on census data for age (16-24, 25-44, 45-64, 65-74, 75+), gender and socio-economic grade.

The *Adults Media Use and Attitudes Report* also draws on qualitative data from Ofcom’s Adult Media Lives research (see below)

**Ofcom Adult Media Lives**

Adults’ Media Lives research is a qualitative, longitudinal ethnographic video-based project which has been running since 2005. The research has followed the same 19 participants over time, interviewing them at home to understand their relationship with digital media.

**Pew Research Center 2018, *Distinguishing Between Factual and Opinion Statements in the News***

The analysis in this report is based on a sample of 5,035 adults 18 years of age or older using a nationally representative online research panel. KnowledgePanel members are recruited through probability sampling methods and include those with internet access and those who did not have internet access at the time of their recruitment. The final sample was weighted using an iterative technique that matches gender, age, race, Hispanic origin, education, region, household income, home ownership status and metropolitan area.

**Pew Research Center 2018, *Publics Globally Want Unbiased News Coverage, but are Divided on Whether Their News Media Deliver***

Surveys conducted via telephone or face-to-face interviews, depending on the country. Surveys are nationally representative of the adult population 18+ through weighting including for age, gender and region. Some further categories of weights are used in different countries. Full details here [https://www.pewresearch.org/methods/interactives/international-methodology/global-attitudes-survey/all-country/2017/](https://www.pewresearch.org/methods/interactives/international-methodology/global-attitudes-survey/all-country/2017/)

**Interactive Advertising Bureau & Edelman Berland 2015, *Getting Sponsored Content Right: The Consumer View***

The data in this report came from 5,000 nationally representative consumers who visit news media verticals online at least several times per week and were divided into three groups based on the types of sites (business, entertainment, general news). Consumers were exposed to real-world examples of sponsored content presented on desktop, not
mobile devices. Consumers were exposed to sponsored content on general, business and entertainment news sites. Social media were not included.


This mixed methods research included: a literature review, six roundtables across Canada, a symposium on digital news innovation, interviews with industry leaders and experts, four focus groups in English and two in French as well as an online survey with a random sample of 1,500 adult Canadian respondents.
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