

PSM's role in the digital age - NRK's contribution to media diversity

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The Norwegian Media Authority should promote democracy and freedom of expression by working to achieve media diversity and critical media understanding amongst the population.

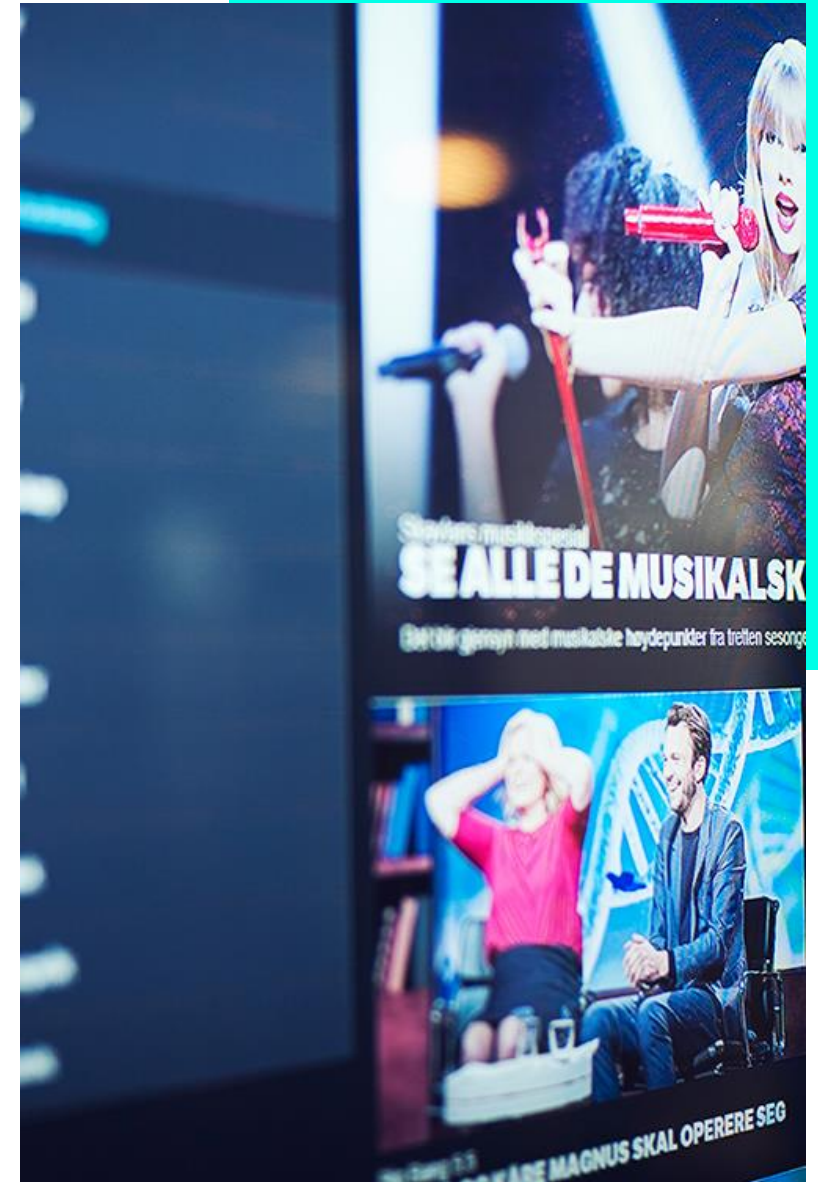
Public Service Media (PSM) in Norway

- A main media policy instrument to achieve media diversity
- NRK the main provider - statutory right to broadcast, publicly financed
- Broad political support, high degree of legitimacy
 - 85 percent daily reach (age 12+)
- Long tradition of co-existence between NRK and commercial broadcasters with a public service remit
- New compensation arrangement for commercial PSB TV 2 from 2019



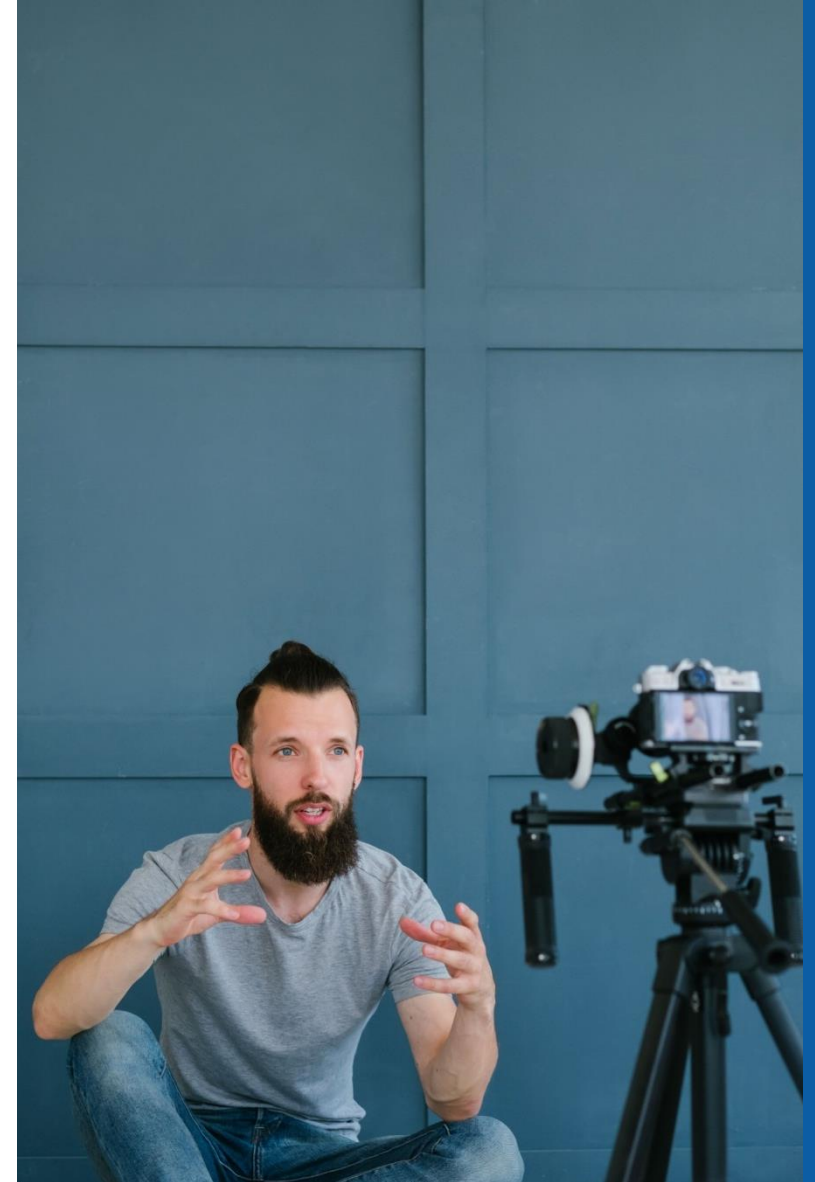
Distinctiveness, new platforms and contribution to media diversity

- NRK's remit is not defined by negative delimitations
 - «NRK shall be able to provide the same type of productions as offered by commercial undertakings, but shall aspire to provide an element of added social value»
 - «NRK shall be present on and develop new services for all major media platforms, including the Internet, in order to reach out as broadly as possible with its overall programme provision»
- New obligation: NRK has an independent responsibility to contribute to media diversity



A changing media market

- The global digital transformation affects the media eco system - increased competition and converging platforms
- Big changes in media use
- Traditional business models in the media markets are put under pressure
- Commercial media regard NRK's open online offer as threatening to their digital business models



How does NRK contribute to media diversity?

The Minister of Culture asked NMA to evaluate:

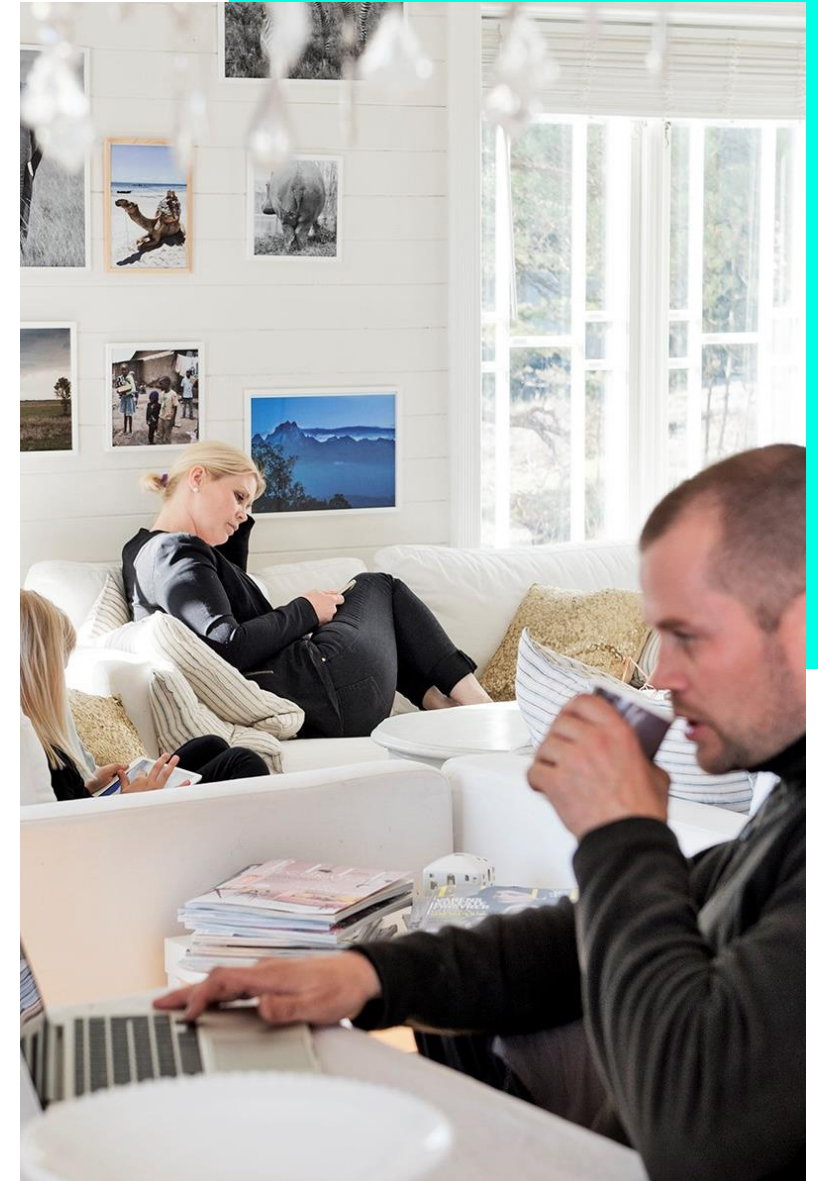
- *How NRK's offer, compared with the offer by other media actors, contributes to content- and exposure diversity*
- *To what extent NRK, through collaboration with other media actors, is contributing to media diversity*
- *How NRK's content, in particular its digital content, affects the services offered by commercial media, and whether the offer to the public is thereby weakened*

The report was presented in April 2018



The NMA's approach

- NRK's content service and activities across all platforms were described
- In-depth analysis on:
 - NRK's contribution to **content diversity**: NRK's website was compared to a range of other Norwegian news sites
 - NRK's contribution to **exposure diversity**: NRK's role in different groups' media repertoires, and as a common public arena
 - Analysis of the correlation between use of NRK's online news service and **willingness to pay** for digital news
 - **Empirical competition analysis** of the effect of NRK's online news and current affairs service on a national basis, as well as in two regional areas



Overall conclusions

- NRK contributes **positively to media diversity** by fulfilling its public service broadcasting remit
- NRK's **online news and current affairs offer** has a **positive impact** on the total offer to the public
- The comparative analysis show that the **content in commercial national “popular media” are more similar to each other than to NRK**
- Commercial media actors remain in a challenging phase – but **competition from NRK is not the significant cause**
- Weakening NRK will not make commercial media more competitive, but **may weaken the overall media diversity**



Content analysis: Main conclusions

- Two axes differentiate Norwegian news journalism:
 - **Geography:** Local, regional and national news are different
 - **Profile:** Commercial “popular media” are more similar to each other than they are to other media
- Different types of news media providers contribute to media diversity in different ways:
 - NRK’s contribution particularly clear through function as a provider of regional news and current affairs
 - At the same time, NRK largely avoids local issues which are typically covered by local newspapers
- NRK is most similar to other online media when it comes to the journalistic/societal core assignments and the contingency function

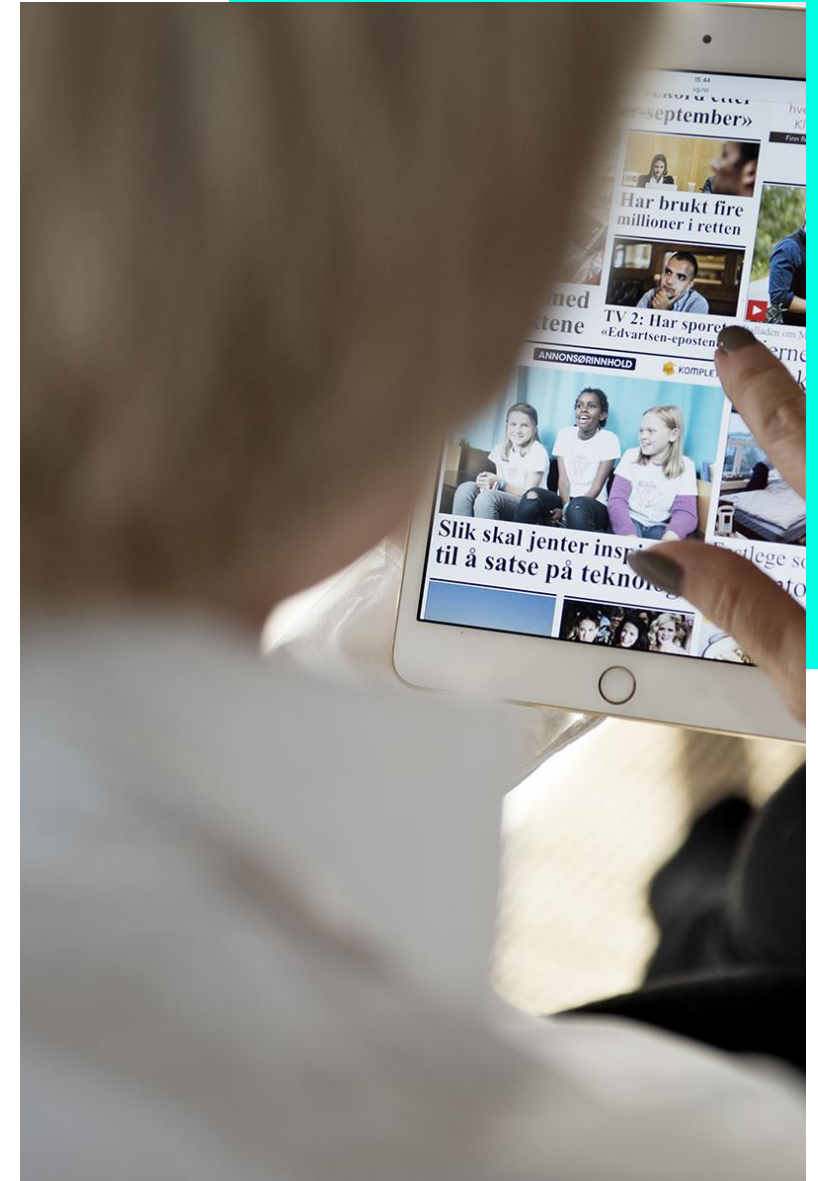
Exposure diversity: Main conclusions

- NRK's offer is part of the daily media repertoire for almost all of the population
 - Therefore functions as a common arena across social classes and media consumption patterns
- NRK reaches population groups that are otherwise very different
- Certain groups amongst youngsters are reached by NRK to a lesser extent
 - These youngsters generally consume less Norwegian editorial media and news
 - More oriented towards social media and international content



Competition analysis: Main conclusions

- NRK exercises a **certain degree of competitive pressure** on commercial online news media
- NRK's online news and current affairs offer **does not appear to have significant negative impact on competition** in either the national or the two regional markets analysed
- The broad commercial online news providers appear to be **closer alternatives and closer competitors to each other than to NRK**
- NRK's presence and the degree of the competition NRK provides is **positive for media diversity and consumer welfare**



Effect on willingness to pay?

- Factors that impact willingness to pay for digital news:
 - General news habits
 - Previous payment for printed newspapers
 - Frequent reading of local and regional newspapers
 - Use of smartphones and tablets
 - Education
 - Age



NRK's collaboration increased

- NRK cooperates with other actors in a range of fields and has strengthened its practice:
 - Technical, editorial, events, expertise, professional development and innovation
- NRK's content is, to a large extent, shared with other media actors free of charge
- Editors in commercial media perceive that NRK largely takes the initiative to co-operate:
 - Mostly amongst regional media
 - A large part of the respondents states that cooperation has a positive impact on the editorial product
- NRK primarily links internally, just one in ten links is to other Norwegian news sites



A look into the future...

- The **public value test** ensures that the positive effect of new services that NRK wants to launch is weighed against the potential restrictive impact on competition
- NRK's **public funding model** is under revision
- A **quadrennial «steering signal»** for NRKs public service remit and the level of funding
- **Regular evaluations** of
 - the level of ambition for the public service offer
 - how NRK's activities affect commercial media and the overall media offer to the public
- The NMA will develop a system with indicators for **measuring media diversity**

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