radiocentre

RADIOCENTRE SUBMISSION TO THE HOUSE OF LORDS COMMUNICATIONS AND DIGITAL COMMITTEE INQUIRY ON THE FUTURE OF NEWS: IMPARTIALITY, TRUST AND TECHNOLOGY

SUMMARY

1. Commercial radio remains a vitally important provider of news and journalism in the UK. With 39 million tuning in every week, the number of people receiving news and information from commercial radio is at an all-time high and for a significant number of listeners it is their principal source of news. Many listeners rely on the bulletins and the trusted information provided by commercial radio, as they do not necessarily engage with the in-depth coverage provided by newspapers and television news.

2. Radio continues to be rated as the most trusted mediums the UK.[1] As one of the few news sources regulated by Ofcom, it remains a beacon of reliable, impartial news in an increasingly fragmented media landscape where people are frequently avoiding news and trusting it less.[2]

3. New technologies, particularly generative AI, present significant opportunities for the radio industry by making production processes more efficient and enhancing journalistic capacity. At the same time, with such a nascent technology, there are multiple risks and challenges presented by AI – including potential copyright infringement, perceptions of trust, and the risk of bad actors harnessing these tools with nefarious intent.

4. In common with other media and content businesses, the radio and audio industry is facing a significant technological shift, with audiences moving from traditional broadcast transmission (via FM, AM and DAB) to IP distribution. A rapidly increasing share of listening is starting to take place online and on smart speakers powered by voice assistant platforms owned by large tech companies like Amazon and Google. This situation gives rise to significant risks if the ability of radio broadcasters to reach their listeners is increasingly dependent by terms set out by the platforms.

5. This is why the Media Bill is a timely vehicle for introducing a regulatory framework that will guarantee unfettered access to UK radio services on smart speakers – protecting the broad range of public value, particularly trusted news and information, that radio delivers to listeners. The Media Bill also enshrines the provision of local news and information on commercial radio, reflecting the importance of this content.

6. To secure the future of radio as a value source of news and information in this rapidly changing media landscape, it is vital that the Media Bill is passed by parliament without delay, followed by a swift implementation of the new regulatory regime by Ofcom.

[1] https://radiotoday.co.uk/2022/10/survey-radio-remains-the-most-trusted-medium-in-europe/
[2] https://pressgazette.co.uk/publishers/digital-journalism/uk-media-low-trust-high-news-avoidance/

BACKGROUND: NEWS AND INFORMATION ON COMMERCIAL RADIO

7. UK radio listeners are well served by a diverse mix of national, regional and local broadcasters, from commercial radio and the BBC, with 9 out of 10 of the adult population tuning in every week. Radio broadcasters make a significant public value contribution by providing listeners with a broad mix of music, trusted news, entertainment and companionship.

8. Commercial radio stations are an important source of local news and information for audiences and make a significant investment in journalism across all parts of the UK. This output is valued highly by audiences and crucial to the identity and character of local commercial radio. This includes:

   - Broadcasting over **10,000 bulletins** every week – the majority of which contain local news.
   - Employing **hundreds of journalists** across the UK based in major national and regional news centres, including specialist reporters covering Westminster, Holyrood, The Senedd and Stormont.
   - Operating over **20 newsrooms** and broadcast centres in across England, Wales, Scotland and Northern Ireland.

9. Local news and information output is valued highly by audiences and crucial to the identity and character of local commercial radio. According to the latest RAJAR audience figures (Q4 2023) its content is heard by 39 million adults (around 70% of the population) for an average of 14 hours a week.

10. Much of the news and information output on commercial radio takes the form of regularly updated bulletins throughout the day. Many listeners rely on these bulletins and the trusted information provided by radio, as they do not necessarily engage with the in-depth coverage provided by newspapers and television news.

11. Across the UK, around 13 million listeners rely on commercial radio as their principal source of information[3]. As a result, audiences will often turn to radio for reliable local information during major incidents – for example during emergencies – and consider radio the most trusted medium for reliable news. This output is complemented by BBC Local Radio and community radio, along with online audio and podcasts.

12. The news and information on commercial radio is provided by a combination of small local and independent stations, along with larger national groups who provide local bulletins, utilising dedicated teams of journalists and news sources from across the country. They generate stories from a wide range of sources, including local contacts, news agencies and external suppliers such as Sky News/IRN. However, it is important to emphasise that in all cases it is the stations themselves that retain editorial control and produce the vast majority of bulletins throughout the day, ensuring it is reflecting the needs and concerns of local listeners.

[3] https://www.radiocentre.org/wp-content/uploads/2020/10/Commercial-radio-Beyond-the-Bubble.pdf

13. Commercial radio also offers a number of distinct and successful news and speech stations – including LBC, LBC News, talkRADIO and Times Radio – supported by significant investment in news and journalism. These stations offer a powerful combination of analysis, comment and opinion that is proving popular with listeners and presents an alternative to the BBC, which has traditionally dominated speech radio.

14. The public value of commercial radio is perhaps best encapsulated during times of emergency. At these crucial times, commercial stations are extremely well placed to provide listeners with up-to-the-minute coverage of both local and national emergencies. Major incidents trigger well-rehearsed plans that enable stations to alter programming and get journalists on the ground to provide audiences with trusted, accurate information. Covering breaking news always requires a tailored response. At the start of the pandemic, for example, stations immediately adapted in order to provide both additional and longer news bulletins in order to ensure that listeners were kept informed of the important news updates as the country was locked down.

15. More recently, the war in Ukraine has demonstrated how commercial radio news teams are able to provide listeners with local angles on stories of national importance. These local updates supplement national stories and deliver to listeners across the country a unique local perspective, which in part explains the enduring popularity of commercial radio. Stations also continue to offer advertising spots for free to the Disasters Emergency Committee's (DEC) national fundraising campaigns.

COMMERCIAL RADIO – REACHING AUDIENCES BEYOND THE BUBBLE

16. With 39 million listeners each week, commercial radio is one of the biggest providers of broadcast news in the UK. In order to understand more about this audience, Radiocentre has commissioned a number of studies in recent years focusing on news. Beyond the Bubble, published in 2020, explores how commercial radio uniquely connects with audiences that other media struggle to reach.

17. The research showed that commercial radio news reaches four distinct audience types: Super-seekers, Enthusiasts, Outsiders and Avoiders. It found that around a third of listeners (13 million people) comprise the often overlooked 'Outsiders' category – a group of news consumers that value commercial radio news especially highly. Outsiders are less engaged in political news but significantly more likely to vote than average. They are less likely to be from London or the South East of England, more likely to be female and are less aligned with traditional political labels of left and right.

18. Our research illustrates that commercial radio connects with this part of the population that other media cannot reach in the same way. For example:

- Outsiders are more likely than other groups to rely on commercial radio in the morning, for regular updates and during emergencies.
- Outsiders are twice as likely to rely on commercial radio over the BBC for regular news updates.
- Outsiders are least likely to avoid commercial radio news, but most likely to avoid news on TV or social media.

QUESTIONS

Trends over the next 12 months and 5 years

MEDIA PLURALITY AND ONLINE INTERMEDIARIES

Question 1: What impacts (positive and negative) do large technology platforms and online news aggregators have on the UK's news environment, including media plurality? And how might this change?

19. Commercial radio continues to have an important role to play in ensuring media plurality in the UK. However, as with other media sectors, it is experiencing disruption from online intermediaries. Where the platforms use their gatekeeper role to gain commercial advantage, an abuse of their power in the market could pose a serious risk to the revenue streams of commercial radio operators. This in turn would likely trigger significant media plurality concerns in future, unless action is taken urgently to update the regulatory and legislative framework regarding the availability, prominence and access to radio, its content and listener data.

20. In common with many other areas of media and public service broadcasting, the growth of the online platforms has transformed the world in which radio companies operate, creating a huge range of new opportunities while presenting numerous complex challenges.

21. The transition of ad-spend to online is the most significant economic trend that has put pressure on the revenues and sustainability of all media. Commercial radio's share of overall advertising revenue has declined significantly in real terms since the early 2000s, while online advertising has grown from around 1% of total UK adverting to become the dominant form of advertising during that time.

22. However, the digital advertising market does not appear to be functioning in a fair and effective manner as major players are able to use their dominant position and unrivalled access to data to the detriment of third parties. A salient example of this was demonstrated by a Wall Street Journal investigation into Amazon's use of third-party data when developing competing products.[4]

23. It is for these reasons that we are supportive of the regulations contained within the Media Bill, which is making its way through parliament. This proposed new regulatory regime for voice activated smart speakers (Part 6) will help to prevent anti-competitive, gatekeeping behaviours that would present a risk to the long-term sustainability of UK radio. Among other things, it will ensure that tech platforms must provide unfettered access to UK radio stations on smart speakers, and prevent them from using their market position to promote their own competing radio-like streaming services (also known as self-preferencing).

24. We are also supportive of the government's wider work on competition in digital markets, notably measures within the Digital Markets, Competition and Consumers (DMCC) Bill. This

[4] https://www.wsj.com/articles/amazon-scooped-up-data-from-its-own-sellers-to-launch-competing-products-11587650015

will help to address competition issues or abuses of power by tech platforms across different markets. The DMCC Bill will complement the radio-sector specific issues covered by Part 6 of the Media Bill, and we look forward to working with the new Digital Markets Unit in due course.

GENERATIVE AI AND RADIO

Question 2: How is generative AI affecting news media business models and how might this evolve?

25. The rise of AI is already having an impact on the way people live and work, and this is expected to increase in the coming decade. Radio broadcasters are already embracing AI tech in some form – for example in back-end tools and processes, as well as some of their consumer facing apps. Similarly, the advertising industry is developing products to create audio ads from start to finish using AI.[5] Even radio competitors such as Spotify are starting to experiment with 'personal DJ' AI products to try to recreate the radio experience.[6]

26. There are tools such as AudioAI – developed by Futuri[7] – which calls itself the 'world's first 100% AI-Driven Local Content System'. AudioAI uses generative AI to broadcast local news and information generated and delivered by AI voices. It also offers voice cloning technology and automatic podcast creation tools. However, this technology is still very much in its infancy and so has not been widely adopted.

27. AI has the potential to provide significant time efficiencies for journalists of the sort last seen when the industry moved from physical editing to digital audio manipulation around 25-30 years ago. At the same time, it also has the potential to create such a volume of low-quality content that trust in news drops to even lower levels. The decision to either use AI to create a significant quantity of content, or to facilitate the more efficient creation of high-quality content, is left to the morals and judgement of media owners.

28. More generally, several issues that need to be better understood before this technology can undergo widespread adoption:

29. **AI and trust**: Radio is currently the most trusted medium in the UK, but it is unclear to what extent listeners would perceive AI generated content from tools like AudioAI to be trustworthy. AI voice cloning is a new and untested technology and listeners may find the idea or experience of an AI newsreader disconcerting. Similarly, they may perceive AI generated news content to be less trustworthy than content written by humans. Tools like this will need much greater levels of testing before broadcasters would be in a position to pilot these technologies at scale.

30. **Copyright infringement and IP**: Generative AI models have been trained on vast data sets and there is very little transparency about what data sets have been used as inputs. This raises several risks for adopting AI (which are not just limited to radio and audio), including

[5] https://audiostack.ai/en/

[6] https://newsroom.spotify.com/2023-02-22/spotify-debuts-a-new-ai-dj-right-in-your-pocket/

[7] https://futurimedia.com/solutions/audioai/

copyright infringements (and the difficulties in detecting them), the lack of brand attribution, and limited accountability for the providers (where copyright infringement has taken place). The lack of transparency means that broadcasters are approaching AI tools with caution.

31. **The regulatory framework**: The government consulted on its pro-innovation approach to AI regulation in summer 2023. While this sets out the direction of travel for the regulatory framework on AI, radio broadcasters still need greater certainty over how AI will be regulated in the UK in order to better understand how and to what extent to invest in AI products and services.

32. **Bad actors**: Data scraping and the voice cloning abilities of generative AI give rise to new unprecedented risks for radio. If UK broadcaster's audio content is used as training data without consent it would enable radio style streaming products to be cheaply created. It is not difficult to imagine a scenario where fake or reproduced streams of radio brands appear online, using a voice clone of a well-known presenter and an AI generated playlist that has been trained, without permission or attribution, utilising the broadcaster's IP. The risk is that these fake streams flood a radio aggregator (like TuneIn) and divert listeners away from genuine streams. There are already clear examples of this online, with AI being used to generate spam websites[8] that exist only to suck up programmatic advertising, and AI generated articles[9] (that rip off other news outlets) which are promoted on Google News. Whatever regulatory regime that is eventually implemented in the UK, it needs to have robust mechanisms to detect and prevent these situations from arising to protect the integrity of legitimate UK news providers.

IMPARTIALITY AND TRUST

Question 3: How are perceptions of due impartiality evolving and what challenges do news organisations face around impartial reporting?

Question 4: What factors affect trust in news and how might this evolve?
- **To what extent is trust linked to perceptions of impartiality, or to other trends in online news?**
- **What impact do concerns around disinformation have on trust in the information environment? (And to what extent does this differ between difference sections of society?)**

Evaluation

Question 2: How adequately are UK news organisations providing impartial and trusted news? What actions are needed to address any shortcomings?
- **How should news organisations balance competing demands to provide content that aligns with particular values on the one hand, and provides trusted and impartial news on the other?**

[8] https://www.theverge.com/2023/5/2/23707788/ai-spam-content-farm-misinformation-reports-newsguard
[9] https://www.404media.co/google-news-is-boosting-garbage-ai-generated-articles/

Question 3: How adequately are news media organisations ensuring that efforts to provide trusted information and tackle disinformation do not alienate some sections of society in the process?

33. Radiocentre's Beyond the Bubble research[10] shows that radio is consistently cited as having high levels of trust and value overall. Eight in 10 listeners (77%) said they trust news on radio, more than any other medium. This is backed up by other sources, such as the European Broadcasting Union's research on trust in media, which finds that radio continues to be the most trusted mediums in the UK (as well as across Europe).[11]

34. One of the reasons radio ranks so highly as a trusted news source is its professional journalism, which ensures it is reliable and free of fake news. Almost seven out of 10 listeners (67%) said they were concerned or very concerned about the rise in fake news. This is up from six out of 10 (61%) when we asked the same question as part of our Breaking News study in 2017.[12]

35. Social media regulation is only just being introduced following the Online Safety Act and online news sources remain unregulated, with overall awareness of regulation amongst audiences generally low. Half of listeners (49%) did not know commercial radio is regulated by Ofcom. Of these listeners, a third (34%) said that knowing Ofcom regulates commercial radio made them trust it more. Interestingly there is a direct correlation between trusted media and those that are regulated by Ofcom.

BUSINESS MODELS

Question 1: How well are news organisations responding to factors affecting their business models, and are any changes needed?

36. Digital technologies have had a profound effect on the consumption and production of news and other content on commercial radio. First and foremost, it has meant a significant increase in competition for listeners and advertisers. In broadcast radio alone, the growth of Digital Audio Broadcasting (DAB/ DAB+) has led to major expansion of services available to consumers in the UK. There are now 53 national commercial stations available on DAB (compared to the 3 previously available on FM/ AM), in addition to 12 national BBC services and hundreds of local commercial and community stations.

37. In addition, online services like Spotify and Apple Music – which are not subject to any significant form of content regulation – are starting to account for an increasing proportion of overall listening time (particularly among younger audiences). The latest RAJAR MIDAS[13] survey found that on-demand music services now account for 13% of the share of audio listening on average, rising to 33% for those in the 15–24-year-old age group. While this fragmentation has had limited impact on total audience, average time spent listening to radio overall has reduced from 21.3 hours per week in 2013 to 20.5 hours in 2023.[14]

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[10] https://www.radiocentre.org/wp-content/uploads/2020/10/Commercial-radio-Beyond-the-Bubble.pdf
[11] https://www.ebu.ch/publications/research/login_only/report/trust-in-media
[12] https://www.radiocentre.org/files/RC-BREAKING_NEWS_2017_DPS_FINAL.pdf
[13] RAJAR MIDAS Autum 2023
[14] RAJAR Q4 2023

38. These market changes are likely to have influenced what consumers and listeners expect from local commercial radio stations. As Ofcom has identified in its own audience research (following surveys in 2015[15] and 2018[16]), the key motivation for radio listening remains the type of music that is played on the station, followed by local news and information. In contrast, the location of content production is not a significant factor for listeners.

39. The combination of this backdrop and developments in technology have enabled commercial radio groups to innovate and deliver content in new and exciting ways, providing the best possible mix of national, regional and local output for audiences across their networks. This has proved popular with listeners and underpinned the capacity of radio stations to compete more effectively with the BBC and online streaming services, while continuing to provide valuable news and information output. Indeed, as commercial radio has evolved in this way the level of investment in local news and journalism has been protected or increased.

40. The new regulatory frameworks being proposed in both the Media Bill and the DMCC Bill will help UK radio broadcasters to adjust to a rapidly evolving media landscape by preventing tech platforms from engaging in anti-competitive gatekeeping behaviours. It is important that the Digital Markets Unit carefully considers issues for radio (particularly around data) best addressed by the new regime that the government highlighted during the passage of the Media Bill.

OFCOM

Question 4: How well is regulatory oversight working? Are any changes needed, for example:
- **In the way Ofcom oversees due impartiality and the extent of its remit?**
- **In the way Ofcom oversees media plurality?**

41. Commercial radio broadcasters are regulated by the Ofcom Broadcasting Code, underpinned by a statutory requirement to ensure due impartiality, and provide an important role within the UK broadcasting and political landscape. We do not believe that any change is required in the way that Ofcom oversees due impartiality or media plurality.

42. Speech radio on commercial radio is different to that on BBC radio services. While overall commercial stations are impartial, they are able to broadcast a range of opinions and are not constrained by some strict editorial rules that apply to BBC stations. LBC is the leading commercial radio speech station and the relative freedom that it provides its presenters and guests has proved attractive to former BBC presenters in recent years.

THE MEDIA BILL

Question 5: Are there any actions the Government should take to address concerns around due impartiality, trust, and the influence of technology platforms?
- **Are changes needed to the Media Bill?**
- **Are changes needed to the way the Government addresses mis- and dis-information?**

[15] https://www.ofcom.org.uk/__data/assets/pdf_file/0024/71529/review_of_music_in_formats.pdf
[16] https://www.ofcom.org.uk/__data/assets/pdf_file/0012/115113/consultation-localness-radio.pdf

43. The Media Bill includes provisions that will guarantee access to UK radio services on voice-activated smart speakers (Part 6). These measures are backed up by a sound evidence base and were informed by a 2-year period of consultation during the Digital Radio and Audio Review[17] and associated research.[18]

44. This analysis identified a clear set of risks for UK radio and audio in the new digital landscape where broadcasters are increasingly reliant on large tech platforms to reach audiences (i.e. via smart speakers and IP-connected devices). Smart speakers now account for 15% of all radio listening, and 18% of all commercial radio listening.[19] The growth in IP-listening has accelerated significantly in recent years and is already almost four years ahead of forecasts from the Digital Radio and Audio Review.[20]

45. Part 6 of the Media Bill is supported by the whole UK radio sector and will help guarantee access to UK radio services on voice-activated smart speaker platforms (such as Amazon Alexa, Google Assistant and Apple Siri), including voice-activated systems in connected cars, by introducing new powers:

- **A listeners' choice of station should be provided reliably** in response to a voice command, not re-routed to competing radio-like services from e.g. Apple or Google (self-preferencing)
- **Smart speaker platforms should provide unfettered access** (without charging) to radio stations licensed by Ofcom.
- **Broadcasters can request a default route for their stations** to be delivered to listeners on smart speakers, for example via Global Player, Rayo, BBC Sounds, Radioplayer or TuneIn.
- **Platforms should not overlay additional content**, such as unauthorised advertising, over the top of radio services (with some limited exceptions).

46. During the House of Commons committee stage, Radiocentre supported several amendments that would help to future proof Part 6 of the Media Bill. The government confirmed during the debate that it would keep the issues raised under review and provided helpful clarification on a number of technical areas. However, we believe that the Bill could still be further improved with three amendments that would ensure the regulation keeps pace with changes in listening.

- Expanding the scope of regulation to cover non-voice activated in car infotainment systems.
- Expanding the scope of protections to on demand and online-only content.
- Including an obligation for voice assistant platforms to share user data with radio stations.

47. In addition to the smart speaker regulation, the Media Bill also contains measures to enshrine the provision of national and local news on commercial radio into law, while providing greater flexibility on where other content is produced (Part 5). News and information output will continue to be at the heart of local radio programming, and it is right that this is the focus of

[17] https://www.gov.uk/government/publications/digital-radio-and-audio-review
[18] https://getdigitalradio.com/find-out-more/digital-review/research-report/
[19] RAJAR Q4 2023
[20] https://www.radiocentre.org/wp-content/uploads/2023/04/Frontier-Economics-Value-Exchange-between-radio-and-VA-FINAL.pdf

the new regulation. Commercial radio remains committed to providing local content and continues to make significant investment in the training and development of their journalists.

48. The Media Bill introduces several changes to the format rules and regulations for local commercial radio. These are the final elements of commercial radio deregulation, which were originally announced by Government in 2017, including:

- **Relaxation of decades old format requirements** and production quotas, giving stations greater flexibility to update or adapt their services without needing consent from Ofcom.
- **New, clearer requirements for commercial stations enshrine the provision of national and local news** and relevant traffic and travel information, reflecting the importance of this content.

49. The commercial radio industry is supportive of Parts 5 and 6 of the Media Bill. The broad cross-party support for the legislation to date is welcome. Following Royal Assent, we look forward to working with Ofcom on the consultation process around the introduction of new regulatory regime and urge the committee to support the Bill's passage through the House of Lords and its subsequent swift implementation.

ABOUT RADIOCENTRE

Radiocentre is the industry body for commercial radio. We work on behalf of more than 50 stakeholders who represent over 90% of commercial radio in both listening and revenue.

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