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Amanda D. Lotz: Media Disrupted: Connecting Journalism to the Right Business Model – Lessons from Australia

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Moderation: Alexander Mäder

Alexander Mäder: So good morning everyone. If you would like to turn on your camera to have a nice greeting for start, that would be nice. Hi Volker. We wait for another minute, there's still people joining.

Are we ready to go? Good morning, everyone, thank you very much for joining us this early for another SciCon talk. And good evening, also to Australia, because our guest lecturer is joining us from down under. It's Amanda Lotz, welcome.

Amanda Lotz: Hi, thank you.

Alexander Mäder: She's a professor at Queensland University of Technology and she'll be talking about business models for journalism today.

I should mention at the start that this session will be recorded and if you have any questions to Amanda, please say so in the chat and then maybe you can ask the question yourself, or you just type in the question in the chat.

And my name is Alexander Mäder, I am with Stuttgart's Media University, *Hochschule der Medien*, and I'll be the host for this session today.

So our topic is connecting journalism to the right business model, and business models is what Amanda has been studying for a number of years. In a couple of months she'll be publishing a book with MIT Press called *Media Disrupted: How to Survive... what was it? Pirates, Cannibals and the Streaming Wars*, so it's about reinventing business models in other parts of the media industry.

Today's topic is the business model of journalism. And the business model basically used to be that journalists attract the attention of the audience and then sell it to an advertiser. And this model is not working as well as it used to, so we have to rethink that.

As Amanda is working in Australia, you might have heard that the Australian Government just signed into law the News Media Bargaining Code, which had

been changed after Facebook and Google had protested. But she will only mention this in passing because she says that's not going to solve any problem, it's more of a political theatre.

So we are curious to know what else could be working, so that's how far my introduction goes and I hand over the mic to you, Amanda, please.

[Amanda Lotz](#): Thank you very much, let me go ahead and share a screen. Alright, is that fully in place for everyone? Great, all right. Thank you for having me. It is Friday night here in Brisbane. I appreciate the early morning that it has meant for all of you.

I wanted to start by placing my perspective since I'm guessing mine is not a name that you're familiar with. For the most part, I've been working on television and audio-visual industries. The approach that I take to studies is what I would characterise as a "media industries approach" and, even though I would make the argument that media industry studies is a very broad tent and that the study of journalism very much fits there as well, I think that, given the pre-existence of traditional journalism studies, a lot of the scholars who study journalism from an industrial perspective just locate themselves there. But I included some of the works here on the slide that I would consider very much in conversation with what I do. And just to give you the short version of what is media industry studies: I often describe it as what happened when cultural studies and political economists started talking to each other.

So my own work, I am primarily concerned with industrial structures, so things like the economics, regulation and technology, and how they structure what is produced in media industries. My lens tends to be more of the meso to the macro, so, of the texts here I'd say something like Schlesinger's book focusing on a particular journalistic organisation would be more micro, and I'm often looking at industry level dynamics, so a lot of the specifics tend to get ironed out of it at that level.

I am, if you haven't been able to figure from my accent, American but I moved to Australia two years ago, and so today's talk will mostly be about the American and Australian context, which is probably more similar than different but also offers some nice contrasts. And I just want to say here at the outset to be very clear and rest everyone assured, that I'm very much on team journalism; however, I come at these issues with an economic lens, which means that I'm thinking always in terms of constrained possibility and things that are limiting, things... limits of time and limits of money and so often that means also limits to perhaps the ideal of what could be. So, but please know that... the... it... world in which there is plenty of public interest journalism available is my goal, even though I may say some things that are hard to hear.

So as introduced, *Media Disrupted* will be out in October and the book came about, I would just... the previous book that I did took a look at a 20-year history of how different technologies – first cable and then Internet distribution –

changed US television, so the business behind how the... why the series changed and things like that, and as I finished that project I very much had a sense that I figured something out about television, but I knew enough to know that I didn't really know the story about other media industries. But I didn't think that the story was exactly the same, and so I wanted to do a comparative work that set those stories up next to each other. And so the book takes a look at newspapers, recorded music, television and film mostly set in the US, but is meant to sort of identify both similarities and differences and explore what we can learn from that.

The other image that you see here is the cover of a report that I did as part of a research team that wrote for the Australian government last year. So the project involved looking at business models supporting both journalism and drama, though I led the journalism section of it in Australia, and what the government called twelve comparable jurisdictions, and they were the United States, the UK, Ireland, Canada, New Zealand, Germany, France, Norway, Argentina, Israel, South Korea and Singapore. And the nature of that report was, I think, very much... the government recognising that, hey, things aren't working and asking some scholars to go looking and seeing, you know, has anyone else figured out the issue here? And I'll talk a little bit about that, but the report has not been made public, it is still only for the government and for its policymaking. However, it has received a freedom of information request, so hopefully sometime it may be more readily available.

One of the things that comparative look did, though, was... it was a very interesting exercise in the sense that this technology and the disruption that it provided obviously is affecting many places. But what was interesting to see was the inconsistency in how the technological disruption was playing out and we ultimately in, sort of, in trying to understand why that was, we came down to these four reasons that structured the different impact. But it also created a situation where it's very difficult to sort of look at what Norway's doing and apply it to Australia, because they're all these pre-existing historical, socio-cultural factors that, you know, explain why newspapers in Norway are the way they are now and why you can't make them that way in Australia tomorrow.

So the four factors I'll just talk through briefly: the pre-existing investment in journalism was the big one, and so, as you all are very aware I'm sure, Western Europe has a much more robust history of supporting newspapers, either through subsidy or other supports, and many of those countries also had migrated those supports for the paper era onto the digital or online distribution, and so in those countries there just wasn't the extent of reliance on ad funding and that's really, to cut to the quick of this talk, it's all about ad funding.

And so, as a result, the countries haven't experienced... weren't in exactly as much crisis as let's say the US and Australia, but also what was important is the immediate period before digitisation. The US and Australia went through a period of extensive corporatisation in which newspapers became publicly-traded stocks valued for their investment quality and part of the consequence of that

were two decades of eroding, really, the substance of the paper in order to make the... whatever numbers needed to be shown for investors at quarterly intervals, and as a result, the value proposition of papers in many places just eroded significantly.

And it wasn't really apparent because readers had nowhere else to go, advertisers had nowhere else to go, they too were feeling very stressed by the situation, but it did sort of set up a really unfortunate situation once the arrival of the Internet and new ways of advertising and communicating presented themselves.

The second factor is the level of investment in the national broadcaster. So the US and Australia are really different here and they're good examples in that sense. So the national broadcaster, it seemed, can really serve as a safety net in a period of transition, and especially if the newspaper industry is struggling, as I would argue is the case in Australia. We don't have a public broadcaster nearly as strongly funded as Western Europe, but it's okay and importantly the ABC is the most trusted source of news and information in Australia by a number of surveys and by a significant amount, so that kind of... that same thing that exists in this period while we figure out how to fund journalism in this new economic environment. And I think the really stark contrast is the United States and what the situation has looked like there over the last couple years as newspapers have struggled and disappeared and, you know, experienced all those pressures of corporatisation. But also, but there hasn't been nearly as strong a public broadcaster or tradition of the culture embracing the public broadcaster as that source of information and news and journalism.

The third factor is the tolerance for government involvement in news provision, and that's actual involvement, and that's not something that is attractive to the Australian democracy, so those sorts of environments might not show the same kind of stress, but that's not really a great solution.

And finally, population. So obviously the size of the country is going to dictate what kind of scale of options are available. So, it's more than 300 million households in the... people in the US, you have a lot more options, and therefore the ability to fund more papers, whether it is through advertising, more subscribers. Australia is at 25 million, so it's sort of an odd size really relative to the comparison group. There are not a lot of countries in that that size range.

So, again we really found that there were no clear answers everywhere, anywhere, and everywhere was very challenged. But the dynamics really vary a lot and I think the one thing that I did take away from it was appreciating that, and so that is why I will consistently contextualise everything I say as Australia and/or the US. I leave it to you to apply it to the context that you're in if it does suit.

So a key starting point for understanding the problem, which I think actually is a core part of the problem, is that the problem has been misunderstood, is that

newspaper, the newspaper crisis, at least in places like the US and Australia, results from them no longer being as effective as a tool for attracting attention.

And that really gets to the core, that the core business of newspapers was not to actually inform or provide news, but it was to attract attention for advertisers. And I'm going to use the word "newspaper" just because it's easier, but I do mean newspapers, whether distributed on paper online or both. In the book I use the phrase "daily words organisation" which is a little awkward but it's hard to find words that don't have either print or paper in them

Now I could show you all the charts that I know others have shown you of circulation falling, of advertising revenue falling, but instead I wanted to focus on appreciating some of the dynamics of why and how what is happening when we see those charts.

So this one comes from Australia and it gets pretty... right to the point of something that's I think fairly misappreciated. Now, there's a lot of lip service to how Google and Facebook account for 80% of the share of digital advertising revenue. However, not nearly enough conversation about why. And we all know that it's not because they are better providers of news and journalism, because that's not what they're doing. They are, however, in all of their offerings, mostly entirely separate from their distribution as news and journalism, much better providers of attention. So they have that 80% of digital spend because they offer advertisers a better value proposition.

And what do I mean by that? Well, search, which is mostly what Google and Amazon offer. They offer advertisers the opportunity to put an ad in front of someone precisely when they are looking for something and to only pay if people actually click on that link. Now, from an advertiser's perspective, you can see why that is a better value proposition than putting an ad next to a newspaper article as you would, even on an online site. In the case of social media such as Facebook and others: these outlets allow more precise targeting, which is attractive to advertisers, to pay more specifically for those who they think might actually use their product. Of course, online newspapers can also offer that kind of targeting. However, the reality is that's not where people are spending their time.

Now, if you think about your own life and the amount of time that you spend with a device going like this... the place where increasingly people in many societies live is in those social media feeds and that is what makes the advertising space in them so valuable. So what is happening in terms of that 80% of digital advertising being taken by those organisations has nothing to do with news and journalism and simply has everything to do with how they work as advertising technologies.

And the consequence of this, of course, is especially stark for countries that were heavily dependent on advertising. So the US: 80% of newspaper revenues came from advertising and Australia: 70%, and it's... the chart here shows you

that spending as a share of advertising in Australia has fallen from 60 to 12% between the years of 2000 and 2017. So you can imagine: if you lose roughly four fifths of your revenue, that's going to have some really dire implications for the product that was being used to attract attention.

So again, this is not about journalism, but it's about the fact that ad-funded journalism was not in the news business, but the attention business and that new technologies are better at attracting attention. They aren't the only casualties. We look around: it used to be that advertisers spent money on phone books or on direct mail and those are gone, too.

Of course, the problem is that societies need certain types of news and information and without a viable commercial model, it is unclear how that content persists if advertising isn't going to pay for it anymore. And I just pulled this slide this morning, this was an article that was advertised in, on the ABC website next to the... this morning's article about the Facebook situation, but this is exactly the kind of frame that continues to persist, that I think prevents us from understanding that the problem isn't that indeed the digital giants are taking away money from the newspapers, right? That it's not because people are watching and getting their news from the, from Facebook or Google. It's really because of the advertising technology, and that is why the money is moving.

And I think this is a really difficult concept to embrace because most of the people, at least in Australia and America who are alive now: for their entire lives, so much of the provision of news and journalism has come and been supported by advertisers and so, I have a metaphor, and I will try it on this audience: imagine if the immediate post-war era, which was a time in which Australia and America largely paved the country: the major infrastructure roadways were constructed in that time. Imagine if there through some magic was a technology that allowed advertising in roads. And, as a result, advertisers were like: "We'll build the roads, we'll pay for it" and, as a result, governments didn't spend any of that money and for decades, the system worked great: all that money staying in government and government spending on other things. And then the Internet comes along and sure enough, it is a better way to advertise and societies would still need roads and you can't do a lot about advertisers leaving, you know, and funding something that they previously funded. And so that's sort of where we are with journalism, but all of it gets kind of confused because of this conversation about where you read your news. But at the core of the problem it's simply a question of advertisers moving to a new platform, it has nothing to do with journalism.

So this, I would argue, is by far the core of the problem, especially in countries that are heavily ad-supported or reliant on ad-support. But there are other factors, and a key one is this issue of unbundling. And unbundling speaks to why the value proposition to readers has been eroded and how Internet communication technologies have largely come to serve many of the functions that the newspapers originally played. And we need to understand unbundling at least, especially, in the US and Australia, because it explains why solutions that

are focused on saving organisations that have eroded value to readers since, for stockholder gains, over the last 40 years are really not where efforts to save journalism need to be focused.

Economically, unbundling is crucial because the way that the newspaper became a mass good was by bundling together a variety of contents that served a mass and heterogeneous audience – that's what made its audience attractive to advertisers. However, newspapers, whether delivered online or on paper, no longer provide that same value to readers because readers are able to get a lot of those pieces that were once only in the newspaper in so many other places.

For example, a key part of what newspapers offered is, was information. By information, I mean things like the weather, sports scores, and you probably can think of all of the ways that you now get your weather and sports scores that aren't the newspaper. And it's a simple point but for those of you who are old enough to remember life before the Internet: now how would you have found out what the weather was going to be like tomorrow in a pre-digital era? You probably would have gone to find the newspaper that arrived earlier in the day, or you would have had to sit around and wait for the weather to be forecast on a radio or television channel. And so these really simple things actually did add significant value to the newspaper.

I'm going to make a distinction here and just, please go with it for the short talk, between news and journalism. And I do that because Internet communication technologies affect them differently. So news is that very thin layer of information: what happened? Honestly, it's the kind of information that we... or the kind of coverage that we get from broadcasters, for the most part, commercial broadcasters, especially. Just basic "this stuff happened", right? Not the in-depth investigation, and that's what we get with journalism.

News has lost... news has become [indistinct], news has become ubiquitous and as a result it's lost its commodity value, and so it, too, used to be part of why people would go to a newspaper and they increasingly don't need to. And this is a long process. We can chart the decline in circulation back to the introduction of radio and television for a reason. People have been going to get news in other places for some time.

But now the places that we can get basic news and find out what is happening have become so plentiful that having that really doesn't provide value to newspapers in the way it once did.

So, just before I get on with this next slide, and I think you'll see that I've ended up exactly in the same place as Victor Pickard and Magda Konieczna, which is to say that you're very much in need of a different source of funding. And it doesn't need to be a source of funding for everything – a lot of things are available in different ways and an advertising model works very well for weather and sports scores, but we do need to find a way to fund the bits of social value.

I do have a couple charts that I don't think you've seen. They're all done by the Reuters Institute for the Study of Journalism. But before I put those up, some background.

Clayton Christensen is a name that might be familiar to those who've studied business. He's best known for his theory of disruptive innovation, which is a theory that gets thrown around a lot in discussions about Internet technologies and technological disruption, but he's also the, a theorist who came up with this theory called the "jobs to be", the "theory of jobs to be done", which is much more helpful for understanding how Internet communication technologies have disrupted media. The theory has businesses focus on the job that they do for consumers, or why consumers hire them. So in this context, instead of starting from something like, "how can newspapers go online", we've started, at least in the US and Australia, by asking "why do people give their attention to the newspaper?" Or: "how might Internet communication technologies better attract attention?" So a lot of innovation focuses on using digital tools to improve journalism. But the trouble is, that's actually not been the core of the business, at least the ad-supported business, and therefore a lot of solutions have been put in place that weren't actually solving the problem that was at its core.

The new technology often offers innovations that allow businesses to do that job better or in different ways, and the theory of jobs to be done focuses on business strategy, but business strategy on harnessing the technological innovation to strengthen value propositions offered to consumers. So it's a very consumer-centric approach that makes business strategy a matter of offence rather than defence. And if you look across media industries, let's say to both music and video, and you consider what has happened there and the success of companies such as Spotify or Netflix and everyone else in that sector, and think about why they are successful. A lot of that has to do with the fact that they help consumers do the thing that they want – listen to music, be entertained by video – much better than the technologies previous.

So, with that in mind, let's consider audiences and a couple of findings from the Reuters team. The first bit is from their study of the 2019 UK general election, which tracked more than 1,700 people aged 18 to 65 across mobile and desktop devices for six weeks to find out how much time they spend with news. And result was, is kind of stunning, and the answer is: they spend very little time with news. So 3% of the time was spent with news, which accounted for a mere 16% of news content being read by the average user per week.

In another study, they took a look at frequency of news use and reported news engagement again across a broad multinational survey, and I think here they found something really telling: that the market for people who, for whom something like deep reporting is important, is relatively small. And so the journalism may indeed be very valuable, but a lot of people neither have the time nor the spending capacity, perhaps, to really engage. So that's 17% of news lovers, that's really the market. If you're looking to shift from advertiser spending to subscriber spending, your market isn't all consumers or all people

who used to buy newspapers. It's more likely in that 17% range and I'm really struck that the daily briefers, you know, what defines them. It actually explains quite well to me why the statistics in the US and Australia have consistently shown that the number one source of news in those countries is television. And the daily briefers, they're getting their news from a source like television rather than something with much greater depth.

So this is not to say, of course, that journalism is not important. It is important in many ways, in economic ways, however, that don't show up on the balance sheet. This is simply evidence for an argument for being realistic about where the money can come from.

As promised, a brief conversation about the Bargaining Code. And the conversation is brief because the bargaining code is actually not about journalism. So where to start? I've done a lot of media on this lately. That the Bargaining Code is not a good solution, so it is built very much on a misunderstanding of the market, of market dynamics. And nothing guarantees the solutions for... that are going to go toward journalism. So yes, there have been, there's now some money, there have been deals struck mostly with Google and Facebook. But we have no reason to know that that money is going anywhere other than to the investors of those major news corporations, who have been eroding the value to news consumers in fact for decades. Or, you know, in any way going to shore up any public interest. So I'm most frustrated with the situation because a whole lot of time and political will has gone into this and it could have been spent on something far more useful. And if you want a deeper dive, I think one of the best pieces of coverage that I saw is this link, the story from Techdirt by Mike Masnick, so if you want to have a look there.

There are many reasons to go after companies like Facebook and Google. The fact that their practices in the ad market are uncompetitive, which is something that the ACCC, Australia's regulator, identified in its digital platform report, and yet no action has been taken on the fact that they have anti-competitive advantage that comes from their participation in multiple markets, right? Specifically Google and Amazon. We could go after them for privacy issues or for speech issues. But it's a bit of a logic jump to sort of presume that they should be responsible for funding an essential public need such as journalism.

Now there's a better way to do this if you did want to follow that line, which would be to tax advertising and to use those revenues to support public-interest information sources. But any government that takes such an approach needs to first make sure that the money that they target is going to the right place and not propping up companies that have been in the business of providing attention and having that as their priority.

Secondly, that they need to act in a way that shows they have some understanding of the economic dynamics. Again, that the issue at its centre is that advertisers have found a better way to buy attention.

And finally, recognize that the risks of becoming dependent on this other source are similarly great because market dynamics change and Nikki Usher's research has been taking a look at this as well, and so maybe, yes, we could turn to Big Tech and expect them to fund public interest journalism for the next few years, but what happens next? And so it's really a replaying of exactly the same problem in terms of relying on corporations to fund something that doesn't really have so much to do with those corporations.

And so what we end up with is everybody's ego intact and unfortunately journalism no better off.

But shifting to things that might get us better off because that's a better way to end a talk. I think what we really need to do is stop speaking in generalities. The future of journalism and the future of the daily words industry are not necessarily the same thing. And also, we have very different fates being shaped for different kinds of content, and so I want to just talk about sort of three different kinds of content and why we see different market opportunities and limitations for them.

So, given the structural givens of the digital information economy, in many markets most of what we have are publishers that are providing general content and the advantage of that general content is that it can scale. So you have either national or major metropolitan papers increasingly pushing toward more and more national coverage in order to increase the audience base that they might receive, so the New York Times, the Guardian, these are good examples of those that are even scaling to the multinational scale. And, of course, the challenge here is that one of the other consequences of Internet distribution is that the silos of print and video are now eliminated and the other competitors in that space are the BBC and CNN, also providing and able to provide the same print, words, sounds of the other organisations.

So this is a very competitive space because it can scale and that's where the remaining advertisers' dollars are largely going. To address this, Nielsen says there's strong "winner take most" advantages. So that's a space and it's a certain game, and it has a certain dynamic to it.

An entirely different space is local content, which we also might think of as geographically specialised content, and it's fascinating because it struggles because it has no scale and therefore it has been unattractive to investors. However, there's also no substitute so, even though the Internet has brought us so many substitutes for the kind of information and news that we used to get from newspapers, very little can be found, at least in the US and Australia, in terms of helping people be more informed about their immediate communities. So there's really a... there's a pent up desire and demand, but we haven't quite figured out what is the business model to make that work. And it's likely something that's non-profit, and it's something that probably needs to support and create opportunities for it to scale in some ways, not on the content side, but maybe on the back end. And this again is a matter of not maybe thinking

about, “how do we reinvent the local paper?” But maybe, “what does it mean to create independent community information agencies and what could they provide?”

Finally, and I think most relevant to this conversation, is the space of specialised journalism or specialised content, and so this is content on a specific topic or theme that’s generally absent at either the general or local content levels, but it is about... it is content about which a niche audience, at least, is passionate. And one of the things that the Internet provides is the ability to connect those niches across a multinational scale, and you’ve also eliminated the issue of the cost of distribution by the ability, through the ability, to distribute online.

And so there are a lot of opportunities here because generally there’s very little substitute for this kind of content and the level of passion that people who want it have tends to make it very well-suited for subscription.

In terms, then, of opportunities for science journalism, it’s likely... the number of organisations that are likely to exist are probably not endless and they probably should imagine more than a national scale of opportunity, especially if they’re looking at subscription funding. But also, given the topic, I’d imagine that they can have opportunities in terms of grant and foundation funding as well.

Now, what are the opportunities? Again, for these... for specialised journalism and I, one of my colleagues is working on a dissertation on specialised journalism right now and doing case studies of environmental and tech journalism and the digital start-ups in that area, and so she’ll have great findings, but probably in about a year from now. But what these... because of the passion and the lack of substitutes, these organisations can offer something like monthly long-form publications, publications being online, that offer a deep dive for subscribers. They could also be supported by a more dynamic website than now in terms of more of what is happening on a day-to-day basis, again depending on... even the capacity of the audience of subscribers to engage with it, maybe something like a newsletter as well. But I anticipate that this does not seem like a very good solution to depend on subscription and to be behind paywalls. And in listening to the other talks in the series, I was struck by the example that Magda offered of... in Wisconsin and thought specifically how well the idea of partnerships might apply here. And the analogy that I have in my mind is the relationship and academia between scholarly academic writing and Conversation articles. And so as anyone who’s written them knows, you know, what you put in a scholarly journal article is the long version, it’s the detailed, it’s all of that right? And the analogy here is, you know that’s the kind of thing that could be going out to a subscriber-funded science journalism outlet, but you could still write off of that and separate from it, a number of Conversation-style, sort of basic articles that are suited more toward those who aren’t as passionate and interested about these issues. And I think the key thing here in terms of thinking about partners is distributing this sort of along the creative commons system again, sort of similar to what the Conversation has done, embracing public media outlets that are looking for good quality information. But viewing

this as a mechanism that is not a way to return revenue, it's not how the system is going to be financed; however, it does allow greater reach for the journalism than just keeping everything in behind the paywall.

So I'm sorry if I have talked too quickly, there is a lot to get across there. I'm very happy to take your questions, thank you.

Alexander Mäder: Okay, thank you, Amanda, for this clear and interesting and sobering talk. As I said, if you have any questions, please say so in the chat.

And I would begin. Amanda, you said that we should be realistic about where the money can come from and you had this interesting metaphor of roads, providing ads and then the Internet comes along and the ads in roads are not interesting anymore. I can think of two ways of where the money could come from. One would be to tax all the drivers using the roads and the other one would be to have the government pay for it as a public service. You didn't mention these two options in financing journalism. What do you think about them?

Amanda Lotz: Yeah, I didn't mention them because they are very nationally specific in terms of how... to what degree they do or don't seem as options, but in general, it can be said that there are three ways to fund media: through advertisers, through direct subscriber payment and through public funds. And we can look at their slight differences and how those public funds are collected, whether it's a... in some cases, you know it's a flat tax and so, you know, it's still coming from the people, one way or another. But the political appetite tends to vary depending on how you label it.

But yes, I, how do we pay for the things that our societies need to function? One of the most efficient ways is to have government funding and then from there figuring out, what are the protections and the dynamics that need built in to make sure that that press service remains independent from where that money is coming from. And I will say, I am still sort of trying to fully appreciate the Australian context, but here it is a very difficult issue and that there's very strong sentiment in many parts of government that feel that, that view the public broadcaster as an adversary, right? And so that is the challenge, I think, in many countries.

Alexander Mäder: I think we have a similar discussion here in Germany, but Volker would like to ask a question.

Volker Stollorz: Yeah okay. Great talk, thanks a lot for pinning down the real problems and because I speak a lot about science journalism, I wanted to get into the issue of specialised content again, where you say there could be cooperations, for example, between scientists offering services which then can reach even broader non-scientific audiences, even with a paywall. But I see two problems with that model. One is, of course, that at least in my conception, science journalism is observing science, so needs to be critical about science. And if it gets lots of its content out of science, that creates a kind of a problem

that other journalists would say, “well you’re not really independent on what you observe, so you are funded by the guy you are observing which is bad”. That is a common motif of lots of criticism against science journalism, that we are too close to science and now, if we even now take money from science, and have to critically report about the same science, that creates a kind of a problem. I would like to have your opinion.

And you see with organisations like Conversation who extract money from universities to then give, I mean the journalists working there are basically giving journalism as a service for researchers to reach broader audiences, so there is no critical element in it. That is just another form of science communication to non-scientific publics. So what do you think about this kind of... if you say, “yeah, of course, money can come from scientific organisations”, the criticism will immediately follow and, therefore, like, yeah, we have to find some different models for it. What do you think about this connection?

Amanda Lotz: I’m sorry if I led you to believe that I was suggesting that scientific organisations fund this. That was not my impression, that’s not what I meant to communicate. I was thinking instead that it’s subscriber-funded by people who care about science journalism and seek to have access to it, so I agree, obviously, all of the problems that you raised, and so I think that would circumvent sort of many of the concerns that you raised.

Now I noted the Conversation, there are several challenges or flaws, to the Conversation model. I was really referring there more toward the ... there are... the way in which the type of journalism that’s needed, it’s not necessarily a single solution, right? So part of the solution, I suspect for science journalism is creating or having or finding and sustaining organisations that provide rigorous and critical science journalism. My impression of the marketplace is that that’s probably not an enormous mass-market product. However, there’s also a need for people to be well-informed at society level about journalism, or about science issues, and so I was trying in that to sort of think about the ways in which an organisation that is focused on receiving its funding based on its passion and a subscriber base could also use other distribution routes to make sure that a fair amount of the ideas are still being translated. In a larger degree, that is what a Conversation article is often, it’s a translation of academic research to a lay community. And that’s not the only thing the world needs, but that is a thing the world needs. And so that would be a way to keep the science journalism from just being locked up, because I think that’s one of the biggest critiques that tends to be faced by, you know, turning to subscriber funding, right? Is that then it makes the ideas inaccessible.

Volker Stollorz: And maybe you can add one more question, and that is one chance I see for digital science journalism is that much of it can be international. The principle is not as strongly connected to local audiences. You could try to address a global niche audience interested in critical reporting about science.

Amanda Lotz: And this may seem like a big stretch, but in some ways the specialised journalism space is sort of, it's what I see and what not a lot of other people see Netflix doing, and that's the extent to which Netflix, by having a global subscriber base, is able to develop content that caters to much more specific audiences than ever would have been produced let's say, I will speak for the United States, right? That because television in the United States was ad or is ad-supported and needs to gather a mass audience, the sort of ideas and concepts that will appeal to that audience and it must fit in pretty much this box. But because Netflix is aggregating a global audience, they're able to all of a sudden, you know, find enough value in creating this thing that nobody else is creating but across the world there are enough people that make it worthwhile to create that show, given the value that it adds to their subscription.

Alexander Mäder: Thank you. Amanda, one of the main points of your talk, I think, was to treat the different parts of journalism differently. There's news, there's journalism, there's local journalism, specialised journalism. And now Christopher Buschow has a suggestion for the local journalism niche, but it's a long question, it's in the chat, but maybe you would like to explain it by talking. Is that possible?

Christopher Buschow: Yes, I can do this. Good morning everybody. Thanks for your great talk. Amanda, very interesting, very inspiring. I was wondering, when you talked about local journalism you said there are no substitutes and I would say, for the hard-news part that is obviously true, we have some local blogs and these kind of things, but what we see in Germany is that a lot of soft news, like topics like cultural things in a city, local restaurants, beautiful sights of the city, such things emerge in social networks such as Instagram or Facebook and these things are offered, or this content is offered at a price of zero because influencers are producing it, not journalists. But obviously these topic niches are also drivers for digital subscriptions of newspapers and now they are offered in Instagram for the price of zero, so there is obviously no need to subscribe to a newspaper and so obviously the hard news are also not coming in this bundle because you do not subscribe. So I was wondering what your take on this is from your perspective.

Amanda Lotz: It's a good example, it's another thing that's been unbundled effectively, right? So that those who went and appreciated in their local paper, the coverage of local community activities or restaurant reviews, those sorts of things are decreasingly there as well.

I think the question is to what degree does a Facebook community provide a substitute? I think it's a bit debatable and I struggle honestly with sort of the situation again here in Australia, where we have many local communities that have been reduced to having to rely on Facebook simply to know what's going on in their communities because they have lost local papers and then at the same time be critiquing... at no point should that have ever been this case, right? These are commercial organisations that are not about making sure communities know what's going on and so it's great if those exist and people

use them in that way, but I would struggle to identify that as a... any kind of solution that could be relied upon, and I think in different countries we're seeing different things. There's dynamics, I think it's Next Door in the United States where actually communities are, you know, using this as a platform that then becomes a way of policing neighbourhoods, often in somewhat racist ways. So I think recognising that having people contributing on Instagram and finding information on Facebook, those are good things, but they're just supplements and they don't replace the need for independent organisations, whether they are news-based or otherwise, that are a reliable place that members of the community can turn when they need to know some sort of information or simply knowing that there is a place to go. One of the biggest, I think, losses that doesn't get talked about in terms of the erosion of newspaper circulation is how do you even get a public notice out, right? So in many cases, at least in the US, entities are required to put a public notice if they're going to do something, but increasingly these public notices go entirely without notice and, you know, as a population might want to know what's going on, there's not even a mechanism to keep track of those things and in many different countries sort of the level of sophistication of civic and city information sites vary greatly. But I think generally across the board there's this... still a need for some level of independent organisation. And, and you know, maybe Instagram is free, but if there is enough value being added, then it's probably not inconceivable that people will pay for it, or that local advertisers would be willing to support being able to reach a very specific audience as well. I think the difference is that we've left the era in which local newspapers are likely to be contributing such levels of profit that they are investor-grade companies.

Alexander Mäder: You said that we should think about helping the audience get a job done. And I wonder, you said, the problem is not with journalism, but maybe we could think about what we offer to the audience. Is it just information or is it sort of empowerment or connecting or something else? Would that be worthwhile exploring?

Amanda Lotz: I think the key is that people were subscribing to newspapers for a lot of different reasons and there's been a tendency, I think, to assume that they were mostly there for the news and journalism. And, as a result, sort of, what has happened perhaps wasn't anticipated, right? That, you know, who would have thought that the creation of weather apps is something that could damage the viability of a newspaper? They're largely, sort of I think, really surprising findings, but they're... also they make sense.

And so to go to your point, I am still new here in Brisbane. I completely str... I have no idea, not even just what's going on in my immediate community. Coverage of Brisbane remains sort of this confusing thing to me. You know, so if I were to think about it in terms of, you know, what do... what would I pay for? What do I wish existed? You know, I wish there were an outlet that was... I don't need it every day. In fact, my life's probably too busy, but you know, once a week I'd like to have a place that I can go and find out what's available in my community, what are the issues, you know, how are the actions of Brisbane City

Council affecting where I live? And those sorts of things that are pretty basic are largely unavailable to people in many places, and so that's I think an example of, you know, identifying there is a job that needs to be done. I don't need another, you know, place to get national level news. There's a tonne of them, but what I really do need is to know more about my community, and I think that's the case for many.

Alexander Mäder: Okay, thank you, by the way, Christopher Buschow said he agreed to your response, but he was not suggesting Instagram as a solution, but rather the threat to journalism, because you get so much information for free.

Okay, Volker Stollorz has another question.

Volker Stollorz: yeah I wanted to come to the point of... you said that this unbundling, has to do, of course, with that advertisement was kind of putting together things which no longer belong together. But for a classical newspaper one thing the user, at least in my imagination, or also I think my practice – so I'm still a newspaper reader – is basically that you see things you don't want to see. Basically you read headlines you never thought about, that is, this is useful for you, but by just seeing this stuff you build a basic knowledge, background knowledge about how the world is coming together, what a democracy is, what is happening in Africa and I don't know what. So you don't want really to do this, you don't want to spend attention on it, but you still get something, and which is kind of creating a public space in which we can discuss issues which we would not be able to discuss if this space is being unbundled. And so therefore, I think there was a reason to, not just by spending attention to things you may not have wanted to spend attention to, but by just seeing things you didn't really look for but you internalised something of it and which is kind of a background information about how the world is working. Don't you think this is another value of a newspaper and if it's debundled, then you don't have that anymore.

Amanda Lotz: Yes, it's a value but also we can't put the bundle back together again. And I think it's important to recognise that there's nothing natural about the bundle. The bundle is actually a response to technological conditions at the time. If you wanted to relay information to people on print, you had to put it on paper and you had to take it from point A to point B. And it didn't make sense to do that with every single story, right? You put together a bunch of stories, everything that happens in a day, and then, in order to be able to pay for it, you had to attract all of these people to either justify the subscription rate or to get enough advertising and so this whole thing, you know, came about in order to make the newspaper a viable good in the first place. And I think as much as we may want it to be a different way, I think what is happening is that people are choosing, instead of spending that time, you know, page looking up and down, and I am old enough that I grew up reading a paper and subscribed to a paper until 2013, when that paper was bought out and was no longer publishing anything that was interesting to me, it was all AP wire and it wasn't about my community, and it was things that I already knew, because I listened to the radio. And so I completely relate to, and I miss that experience, but I think what

we have seen is that populations, instead of relying on a news director to select the things that they should see in a day, they do so by who they select to be friends with or to follow and that that same kind of behaviour is actually quite similar to what we do when we scroll through a feed. And by all means, that most of what we are getting in that feed is not of the same quality and it's very different than what was the case in newspapers, but at the same time I don't know how you reverse that behaviour when there are reasons why people have migrated to that experience instead.

Alexander Mäder: Okay, there is another question by Franco Zotta, who posted it in the chat. He asked about who should be part of the solution? Is it just investors or actors outside the market like foundations, or the states or civil society?

Amanda Lotz: It's a good question. Again it's one that varies quite widely by nation. One of the conversations in Australia around the platform report was whether or not there's value in creating more incentives. So in the US, when I donate to national public radio, I write, I can write a portion of that as a tax deduction, and that's one of the things that helps motivate some of those deductions. It's also what helps motivate some of the foundation-level spending and that that market has appreciated. So I think there's a range of actions that can be taken by governments to recognise spending on public interest journalism, not just perhaps corporate journalism, that can help give people a way to support the things that they believe in.

I think... I... again every country with the layers of politics are so complicated, but I think at its core, governments are made up of the people that they represent. And in order for action to happen, I think there needs to be a recognition that societies actually want something that's not being made available to them by the marketplace and that the marketplace isn't going to make it available to them. And I think that that continues to really be the struggle. And people are really inconsistent. I was just looking across some data here that's been done in the Australian TV market and Australians by high margins say that they want to see more Australian content on their televisions and yet by just as high margins say they are not willing to pay at all for it. So, you know, I think figuring out what it is that people... will actually move people as opposed to simply what they say they want or are told that they want, that's one piece of it.

But I think the other, and again looking at the situation in the United States and really how dire it has become, I think governments also have to look at those dynamics and question, you know, what happens when you have societies that no longer believe anyone, and there are not even shared facts and it may look like that's a good thing if it's going your way for a while, but once you have that level of erosion of trust, you know, societies cease to function and that's something that hasn't happened for some time, at least in the US and that's something that makes it really difficult for everyone to function. And so I think it comes back to believing and having societies believe that journalism isn't just

another political football, but it is actually, you know, as important to them as the roads they drive on every day.

Alexander Mäder: Okay, thank you. I don't see any further questions so, and we are at one hour, so thank you very much for this discussion. I think what this talk shows, just to pick two or three points, is that there's a very limited capacity of people who are really interested, who are lovers, of news and journalism, so we have to be realistic about that, and you mentioned there's nothing natural about the way newspapers and the advertisement business used to work. It was just a way that worked, and now we have to think about another way that should work. But maybe a final question to you, are you optimistic that we're about to find such a way?

Amanda Lotz: Hmm. Hey. I was, I was more optimistic two weeks ago. The opening from the US on things in Australia in the last week has been a lot to take in terms of not fully appreciating the dynamics on the ground.

But I mean I... a lot of the things I perhaps said, are tough to hear but we really are at a place where we need to move beyond the magical thinking, and I think one of the reasons why I wrote the Conversation piece originally, and I've been doing some more public talks, is coming out of the book project and realising how these other industries frankly have evolved and are now thriving and the questions around newspapers and journalism just seemed stuck. And wondering to what degree that has to do with, you know, somewhat perpetual magical thinking about, you know, as we've had a delusion here in Australia for a number of months, and just the amount of political effort and time of people that was spent on something that was never going to actually solve the problem that exists.

And so I think... it is a really hard problem and it's going to require the most difficult solutions, but that's really going to be the only way to fix it. And so I think it's a matter of finding the political will and, if anything, you know, the kind of year that the world has had, I think, should make very clear why these things are needed, how it is that societies can and can't function if they don't understand and share in basic levels of information and news and journalism about the things that affect every day of their life. Cautiously optimistic.

Alexander Mäder: Cautiously optimistic. Thank you very much, Amanda Lotz, for this interesting talk and the great discussion. Thank you all for joining us and have a nice day, respectively, have a nice evening. Bye.

Amanda Lotz: Good night.

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