1/2022 SSKH NOTAT – SSKH REPORTS AND DISCUSSION PAPERS

ROAD TO FREEDOM:

NEWS MEDIA BREAKING FREE FROM SILICON VALLEY'S GRIP

CARL-GUSTAV LINDÉN, HANNA TUULONEN, LIISA NIEMI, MIKKO GRÖNLUND, KATJA LEHTISAARI, MIKKO VILLI

SSKH Notat

Svenska social- och kommunalhögskolan
Helsingfors universitet

1/2022

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FINAL REPORT OF A RESEARCH PROJECT

CARL-GUSTAV LINDÉN, HANNA TUULONEN, LIISA NIEMI, MIKKO GRÖNLUND, KATJA LEHTISAARI, MIKKO VILLI

Road to freedom: News media breaking free from Silicon Valley's grip

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Publisher: Helsingfors : Svenska social- och kommunalhögskolan vid Helsingfors universitet, 2022.

Serie: SSKH Notat 1/2022.

ISBN 978-951-51-1717-5 (PDF)
ISSN-L 1457-1250
ISSN 1798-6966 (Online)

https://www.helsinki.fi/sv/svenska-social-och-kommunalhogskolan/samarbete/publikationsserier/notat

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EXECUTIVE SUMMARY

The aim of the *Road to freedom* research project was to find out how the Finnish news media are dependent on the technology giants of Silicon Valley, mainly Meta (Facebook, Messenger, Instagram, Whatsapp), Alphabet (Google, Youtube, Android), Apple and Amazon. In this report we present an examination of whether the nature of dependence is disproportionate in terms of power, and if so, how the news media could break free from the excessive influence of the technology giants. The report approaches the dependency relationships between global tech giants and news media corporations through four frameworks: a technological framework, a business framework, an operational framework, and a narrative framework.

The impact of Silicon Valley's global actors on the news media has generally been studied in a negative context, from the perspective of how media have lost its relationship to audiences and advertisers. However, we think the issue is more complex than that and contains positive features too, such as learning a new type of operational logic, which particularly affects product development methods. In addition to that, Google and Facebook have financially supported the innovation process within media to a significant extent. However, compared to their own revenues, this support has been minimal.

We believe that the metaphorical road to freedom requires new ways of strategic thinking from the news media corporations, support from advertisers, as well as national and supranational (mainly EU) legislative solutions. The aim is to predict what this development could mean for the Finnish news media.[1]

The goal of this project was to produce information and knowledge that will help practitioners, industry experts and policy makers understand the scope of the power of Silicon Valley's technology corporations. In our view, these corporations offer such platforms and solutions for the core activities of media and its infrastructure that are hard to get away from. Importantly, the issue does not only revolve around the media but also around society at a broader level, where such corporations as Alphabet, Meta, Apple, Microsoft and Amazon strive to build infrastructure for the whole of society, of which the media are only a small part of.

The project is divided into four work packages, the results of which form the core of this final report. In the report, we define three scenarios for the year 2030. The scenarios describe the different ways in which the news media's dependence on technology companies of Silicon Valley can change and the consequences this may have.

The Road to Freedom project builds on qualitative and quantitative research. The data have been derived from mapping out the research field, interviews with industry experts, statistical analysis, canvassing and workshops. The research project is a collaboration between four Finnish universities (Helsinki, Jyväskylä, Tampere and Turku) funded by the Media Industry Research Foundation of Finland.

The final product of the project is an overview and three scenarios for the future, "A road to freedom", in which the word freedom is used in a metaphorical fashion. Our view is that the media companies' road to freedom is dependent on several components, some within their own reach and others beyond attempts to impact the development. The most important components are *developments on a global scale, at the EU level, at a national level and at a regional level.* How policy makers may act is also an important component. There is also cause for concern that in any scenario, small and mid-sized media companies will not survive. While the biggest players can develop long-term strategies, smaller media companies have a harder time fighting for mere survival. Thus, public service media will continue

1 The project manager Carl-Gustav Lindén has studied Silicon Valley's business models for a long time. In December 2020 he published a book "Silicon Valley och makten över medierna" (Nordicom, 2020) that provides the basis for this project. In the book, Lindén goes through how and why the media are dependent on Silicon Valley's technology corporations and where this has led. In the final chapter, Lindén reflects on how this dependency can be reduced.

to play an important role and in addition there is a risk that diversity in the media ecosystem could become a thing of the past.

Our three scenarios for 2030 include *scenario -1* where things have become worse and legacy media are more dependent on the Silicon Valley technology companies, and *scenario +1* where things have improved, and the media are less dependent on the Silicon Valley technology companies. There are five factors that affect both these scenarios: the (in)ability to renew business models, losing or winning the competition for audiences, failure or success in regulation, changes in the power balance between platforms and media companies, and media companies' passivity or proactivity in solving the issue of dependence. In addition, in *scenario 0* we see a situation in which by 2030, things have not changed much since the early 2020s, and problems of dependency are not recognised or dealt with. Yet because it is difficult to see how no change would take place for the better or worse, we do not discuss this scenario further in this report.

Our recommendations include active policy initiatives that may change the context. For example, the European Media Data Space would allow publishers to share user data in ethical ways compatible with GDPR and other regulations such as the upcoming Data Governance Act (DGA). The Media Data Space is an interesting initiative and according to law scholars (Dutkiewicz, 2021), the EU envisages the following benefits of sharing media data. First, access to audience data, content metadata and other types of users' behaviour data would allow European media companies to create personalised content and promotion. Second, it would help European news publishers to pool together their content and customer data to produce news targeting their own national audiences. Third, it would provide insight to services aiming at increasing the findability of media content across borders.

TIIVISTELMÄ

Tie vapauteen -tutkimushankkeen tavoitteena on selvittää, miten suomalainen uutismedia on riippuvainen Piilaakson teknologiajäteistä, pääasiassa Metasta (Facebook, Messenger, Instagram, Whatsapp), Alphabetista (Google, Youtube, Android), Applesta ja Amazonista. Tässä raportissa käymme läpi sitä, onko riippuvuuden ja vallan suhde liiallinen ja sitä, miten uutismedia voisi päästä eroon teknologiajättien vaikutuksesta, mikäli riippuvuussuhde on liiallinen. Raportissa tarkastellaan maailmanlaajuisten teknologiajättien ja uutismediayhtiöiden välisiä riippuvuussuhteita neljän viitekehyksen kautta: teknologinen, liiketoiminnallinen, operatiivinen ja kerronnallinen.

Piilaakson globaalien toimijoiden vaikutusta uutismediaan on yleensä tutkittu negatiivisesta näkökulmasta, eli kuinka media, yleisön ja mainostajien suhde on nimenomaan heikentynyt. Mielestämme asia on kuitenkin monimutkaisempi ja sisältää myös myönteisiä piirteitä, kuten uudenlaisen toimintalogiikan oppimisen, mikä vaikuttaa erityisesti tuotekehitysmenetelmiin. Tämän lisäksi Google ja Facebook ovat taloudellisesti tukeneet median innovaatioprosesseja, vaikkakin annettu tuki on näiden teknologiajättien omiin tuloihin verrattuna vähäinen.

Uskomme, että vertauskuvallinen "tie vapauteen" vaatii uutismediayhtiöiltä uusia strategisen ajattelun tapoja, tukea mainostajilta sekä kansallisia ja ylikansallisia (pääasiassa EU-tason) lainsäädännöllisiä ratkaisuja. Projektissa olemme katsoneet myös toiseen suuntaan, Kiinaan, jossa mediajätit kuten Tencent ja Alibaba sekä uudet tulokkaat kuten TikTok ovat alkaneet valloittaa maailmaa. Tavoitteenamme on ennakoida, mitä se että Kiina ja kiinalaiset ohjelmistovalmistajat tuovat tuotteitaan kaikkien saataville, voi tarkoittaa suomalaisen uutismedian kannalta.[2]

Tämän projektin tavoitteena on tuottaa tietoa, joka auttaa media-alan työntekijöitä, asiantuntijoita ja päätöksentekijöitä ymmärtämään Piilaakson teknologiayritysten vaikuttavuutta. Näkemyksemme mukaan nämä yritykset tarjoavat median ja sen infrastruktuurin ydintoimintojen kannalta sellaisia alustoja ja ratkaisuja, joista on vaikea päästä eroon. Tärkeää on kuitenkin, että kysymys ei pyöri vain mediayritysten ympärillä, vaan myös laajemmalla yhteiskunnan tasolla, sillä yritykset kuten Alphabet, Meta, Apple, Microsoft ja Amazon pyrkivät rakentamaan infrastruktuuria koko yhteiskunnalle. Tästä media on vain yksi, pieni osa.

Hanke on jaettu neljään työpakettiin, joiden tulokset muodostavat tämän loppuraportin ytimen. Raportissa määrittelemme kolme skenaariota vuodelle 2030. Skenaariot kuvaavat, miten uutismedian riippuvuus Piilaakson teknologiayrityksistä voi muuttua ja mitä seurauksia sillä voi olla.

Tie vapauteen -hanke rakentuu laadulliselle ja määrälliselle tutkimukselle. Aineistoa on kerätty kirjallisuuskatsauksen avulla, kyselyillä, alan asiantuntijoiden haastatteluilla, tilastollisen aineiston analyysillä sekä työpajoissa. Media-alan tutkimussäätiön rahoittama tutkimushanke on toteutettu neljän suomalaisen yliopiston (Helsinki, Jyväskylä, Tampere ja Turku) yhteistyönä.

Projektin nimessä "Tie vapauteen" sanaa "vapaus" käytetään vertauskuvallisesti. Mielestämme mediayritysten tie vapauteen on riippuvainen useista komponenteista, joista osaan mediayritykset pystyvät itse vaikuttamaan ja joista toiset ovat heidän vaikutusmahdollisuuksiensa ulkopuolella. Tärkeimmät vaikuttavat tekijät ovat kehitys maailmanlaajuisella tasolla, EU:n tasolla, kansallisella tasolla ja alueellisella tasolla sekä se, miten päättäjät ja poliitikot toimivat. Kaikissa kolmessa skenaarioissa vaarana on se, että samaan aikaan, kun isot toimijat voivat kehittää pitkän aikavälin strategioita, pienet ja keskisuuret mediayritykset joutuvat keskittymään kamppailemaan olemassaolostaan eivätkä pysty toimimaan kovin strategisesti. Kun median monimuotoisuus on uhattuna, pysyy julkisrahoitteisen median rooli jatkossakin tärkeänä.

2 Projektipäällikkö Carl-Gustav Lindén on tutkinut Piilaakson liiketoimintamalleja pitkään. Joulukuussa 2020 hän julkaisi kirjan "Piilaakso och makten över medierna" (Nordicom, 2020), joka toimii pohjana tälle projektille. Kirjassa Lindén käy läpi, miten ja miksi media on riippuvainen Piilaakson teknologiayhtiöistä ja mihin tämä on johtanut. Viimeisessä luvussa Lindén pohtii, kuinka tätä riippuvuutta voidaan vähentää.

Kolme skenaariotamme vuodelle 2030 ovat *skenaario -1*, jossa asiat menevät aiempaa huonompaan suuntaan ja jossa perinteinen media on entistä enemmän riippuvainen Piilaakson teknologiayrityksistä. Toinen skenaario on *skenaario +1*, jossa asiat menevät aiempaa parempaan suuntaan ja jossa media on vähemmän riippuvainen Piilaakson teknologiayrityksistä. Molempiin skenaarioihin vaikuttaa viisi tekijää: kyky tai kyvyttömyys uudistaa liiketoimintamalleja, yleisösuhteen vahvistuminen tai heikentyminen, sääntelyn (epä)onnistuminen, alusta- tai mediayhtiöiden vallan kasvu sekä mediayritysten oma passiivisuus tai proaktiivisuus riippuvuusongelman ratkaisemisessa. Kolmas vaihtoehto on *skenaario 0*, jossa vuoteen 2030 mennessä asiat eivät ole juurikaan muuttuneet 2020-luvun alusta ja jossa riippuvuusongelmia ei tunnisteta tai käsitellä. Koska on kuitenkin vaikea nähdä, kuinka mitään muutosta aiempaa parempaan tai huonompaan suuntaan ei tapahtuisi, emme analysoi tätä skenaariota pidemmälle tässä raportissa.

Riippuvuusongelman ratkaisemiseksi suosittelemme aktiivisia poliittisia aloitteita. Esimerkiksi European Media Data Space antaisi julkaisijoille mahdollisuuden jakaa käyttäjätietoja sellaisella eettisellä tavalla, joka on yhteensopiva GDPR:n ja muiden säädösten kuten tulevan Data Governance Actin (DGA) kanssa. The Media Data Space on myös lupaava hanke, jossaasiantuntijoiden mukaan (Dutkiewicz, 2021) jakamisen etuina EU-tasolla on 1) pääsy yleisötietoihin, sisällön metatietoihin ja muun tyyppisiin yleisön käyttäytymistietoihin, joiden avulla eurooppalaiset mediayritykset voivat luoda personoitua sisältöä ja mainostaa sisältöä; 2) mahdollisuus eurooppalaisille uutismedioille sisältönsä ja asiakastietojen yhdistämiseen sellaisten uutisten tuottamista varten, jotka on suunnattu heidän omalle yleisölleen; ja 3) sellaisen tiedon lisääminen, jonka avulla pyritään parantamaan mediasisällön löydettävyyttä eri maiden välillä.

SAMMANFATTNING

Syftet med forskningsprojektet Vägen till frihet var att ta reda på hur de finländska nyhetsmedierna är beroende av verksamheten av Silicon Valleys teknikjättar – främst Meta (Facebook, Messenger, Whatsapp och Instagram) Alphabet (Google, YouTube, Android), Apple och Amazon. Projektets forskare undersöker om beroendet är överdrivet och i så fall hur det är möjligt för nyhetsmedierna att bryta sig loss från alltför stort inflytande från teknikjättarna. I studien analyseras det globala beroendeförhållandet mellan teknikjättar och nyhetsmedier genom fyra ramar: tekniska, affärsmässiga, operativa och narrativa bindningar. Projektet producerar högklassig vetenskaplig forskning och syftar till att skapa en konkret överlevnadsplan för nyhetsmedierna, "Vägen till frihet".[3]

Effekten av Silicon Valleys på nyhetsmedier har i allmänhet studerats utgående från ett negativt ramverk ur perspektivet av hur medier har tappat kontakten med både publik och annonsörer. Forskarna anser dock att frågan är mycket mer komplex än så och även innehåller positiva drag, som att lära sig en ny typ av affärslogik, som särskilt berör produktutvecklingsmetoder. Dessutom har Google och Facebook stött mediers innovationsverksamhet med betydande belopp, men jämfört med deras egna intäkter är det en minimal investering.

Vi tror att den metaforiska Vägen till frihet kräver nya strategiska tankesätt från nyhetsmedierna, stöd från annonsörer och nationella samt överstatlig (främst EU) lagstiftning. Avsikten var också att förutse vad denna utveckling kommer att innebära för de finländska nyhetsmedierna.

Målet med projektet var att ta fram information och ny kunskap som hjälper experter att förstå varför och vart Silicon Valleys teknikföretagens makt sträcker sig. Enligt vår uppfattning erbjuder dessa företag grundläggande infrastrukturlösningar som är svåra att bli av med. Det handlar inte bara om medias situation utan om samhället i helhet, eftersom dessa företag som Meta, Alphabet, Apple, Microsoft och Amazon försöker bygga en infrastruktur för samhället i stort, där media bara är en liten del av helheten.

Studien är indelad i fyra arbetspaket vars resultat bildar en sammanhängande helhet i slutrapporten som definierar tre olika scenarier för 2030. Scenarierna beskriver på vilka sätt nyhetsmediernas beroende av Silicon Valleys teknikföretag kan förändras och vilka konsekvenser det kan få.

Forskningsprojektet bygger på kvalitativ och kvantitativ forskning. Materialet omfattar en kartläggning av forskningsfältet, statistiska analyser, enkäter, intervjuer och gruppdiskussioner. Det är resultatet av samarbete mellan fyra universitet (Helsingfors, Jyväskylä, Tammerfors och Åbo) som var finansierat av medieindustrins stiftelse Media-alan tutkimussäätiö, MTS.

Slutprodukten av projektet är en översikt med tre framtidsscenarier. Forskarnas uppfattning är att Vägen till frihet beror på en rad olika faktorer, av vilka somliga som medieföretagen själv kan påverka och andra som står bortom inflytande. The viktigaste faktorerna är utveckling på global nivå, på EU-nivå, på regional och på nationell nivå. De politiska beslutsfattarnas aktivitet är också viktig. Det finns även en oro för att små och medelstora medieföretag får svårt att överleva, oberoende av vilket scenario som blir verklighet. Därmed kommer public service medier att ha en viktig roll liksom att diversitet på mediefältet förpassas till historien.

Våra tre scenarier för 2030 omfattar Scenario -1 där utvecklingen går mot det sämre, där traditionella medier blir alltmer beroende av teknikföretagen från Silicon Valley och Scenario +1 där utvecklingen går mot det bättre. Flera faktorer spelar in i båda scenarier: (o)förmågan bland medierna att förnya sina affärsmodeller och locka fler betalande kunder, framgångsrik eller misslyckad reglering av

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3 Projektledare Carl-Gustav Lindén har undersökt Silicon Valleys verksamhetsmodeller under en lång tid och gav i december 2020 ut boken "Silicon Valley och makten över medierna" (Nordicom, 2020) som lägger grunden för detta projekt. I boken går han igenom hur och varför media är beroende av Silicon Valley-teknikföretag och vart detta har lett. I bokens sista kapitel funderar Lindén över hur detta beroende kan minskas

plattformarna, förändringar i plattformarnas och mediernas maktbalans, och mediernas egen aktivitet vad gäller att deras förhållande till plattformarna. Därtill kan vi ha ett Scenario 0 där saker och ting inte förändrats mycket fram till 2030. Det måste dock understrykas att det är svårt att se att inget kommer att förändras till det bättre eller sämre och vi nämner detta alternativ endast kortfattat i rapporten.

Våra rekommendationer omfattar en aktiv regleringspolitik som kan förändra kontexten. Till exempel kan möjligheterna för mediehusen att dela användardata öka genom initiativet the European Media Data Space som står i samklang med GDPR och annan reglering som Data Governance ACT (DGA). Media Data space är ett intressant projekt som enligt juridiska experter (Dutkiewicz, 2021) omfatta följande fördelar. Först, bättre tillgång till användardata, metadata om innehållet och andra typer av användardata kunde medverka till att europeiska mediebolag att skapa och marknadsföra personaliserat innehåll. Därtill hjälper det utgivare att dela innehålls- och användardata för riktade nyheter. För det tredje skulle det skapa möjligheter att hitta medieinnehåll över landsgränser.

INTRODUCTION

The Internet made its way into Finnish universities, businesses and homes in the late 1980s and early 1990s. This forced traditional media to gradually make way for digital changes. The digital transformation path has been long and filled with problems and disappointments, but also positive developments. Notably, the slow decline of Finnish print media had already begun in the early 1990s due to a severe recession, before the emergence of the technology giants of Silicon Valley.

A major blow to the legacy media was when their monopolistic control of advertising sales, and information sharing was affected by a shift to a digital market with new actors. The traditional media business model was based on generating content, reaching attractive target groups with this content, and earning money through the sale of content and advertising. The digital transition of traditional media corporations is still on-going and actors outside the media market have a big say in how corporations should function in this new business environment and ecosystem to be financially successful. Google and Facebook have offered their own strategic advice for operations in the digital world but that has not helped traditional media. The coronavirus pandemic that began at the end of 2019 has made it clear that the resilience of the news media to changes in consumer behaviour, advertising and technology and the overall operating environment has been increasingly impaired even though the verdict is still out there. In this situation, Google and Facebook decided on offering support to news media through different channels such as the Journalism Emergency Relief Fund (Google) and European Journalism COVID-19 Support Fund (Facebook).

Yet, the impact of the technology giants of Silicon Valley, mainly Google, Apple and Facebook on news media has been in many cases negative, as they have thoroughly shaped the news medias' financial and technological terms and conditions to produce, fund and share journalistic content. These corporations efficiently interrupted the direct link between news media and the audience, by replacing it with their own technological solutions (Srnicek, 2017). Bell et al. (2017) have pointed out that Facebook, Google, Apple, Twitter and other technology corporations make decisions that guide the strategies of news media which rely on a business model based on advertisements. Nielsen and Ganter (2018) highlighted how the news media have become dependent on the digital mediators that build the media environment in a way that forces even big and influential media corporations to adapt to them. These are corporations that control the interface with the audience (Bell, 2015) and the ones that have become the operating system of journalism (Fanta, 2018).

Long-term planning has become increasingly difficult as media organisations have become strategically dependent on the tech companies that could change basic functions in their systems without further warning. The technology giants have become such an important part of the media's production processes that they have challenged their autonomy and independence. The media have become dependent on corporations that direct a major portion of their users to their own platforms and services (Nechushtai, 2018). The practical implications are numerous, such as the challenge to attract and hold the attention of an audience using mainly smartphones (Duffy, 2020). For instance, newsrooms have started to connect their planning processes to Google trends that show what people are searching for. This is one way of using platforms to make sure that news is relevant to audiences, making decisions in almost real time (Lindén, 2020).

According to a Danish study, reporters are almost slavishly dependent on the technological guidelines that Facebook, Google and YouTube put out (Slots- og kulturstyrelsen, 2017). For example, Facebook publishes guidelines for reporters on how they should present their content and material so that their reach would be as wide as possible (Facebook, 2020). This is also one reason for why media publishes clickbait headlines, which mislead the reader and reduce the readers' trust in media (Chesney, Liakata, Poesio, & Purver, 2017; Wardle & Derakhshan, 2017). The result is a declining ability of the traditional media to contribute productively to democracy as they increasingly need to respond to platform demands for content that creates and captures attention instead of providing crucial information for citizens (Dapp et al., 2021). The attention economy is based on advertisements and is measured by metrics rewarding instant satisfaction that can be manipulated with fraudulent traffic generated by bots that can fake clicks or make false claims.

The researchers from the Tow Center at Columbia University have analysed the relationship between platforms and media corporations since 2016. They point out that the two industries have grown closer to each other at a much faster pace than earlier predicted (Bell & Owen, 2017). One reason could be that media corporations are more convinced that relationships with social media platforms are crucial if they want to be financially sustainable in the future (Rashidian et al., 2019). Facebook's and Google's advice on how to reach a wider and bigger audience constantly was deemed crucial to media corporations, and also many researchers were convinced that social media are an important tool for connecting audiences to news media.

However, it seems that the belief in social media being the way to success for the news media business is fading (Piechota, 2017). In the Road to freedom project, we were looking for examples of media companies that have strategically tried to reduce their dependence on tech companies. For years, publishers have complained about the need for a "level playing field" with platforms (Newman, 2021). Nieman Media Lab's expert panel predicted for 2019 that media companies will start a process of reducing dependence from platform power (Schwartz 2018). A growing group of publishers is thinking about strategically smart responses to the challenges caused by platformisation (Whitehead 2019). The online trade magazine Digiday notes that it "seems crazy now, but there was a time when publishers imagined they would one day publish most of their content natively on different social platforms, nurturing a symbiotic relationship between old and new media companies" (Willens, 2021). According to Digiday, publishers now consider platforms neither to be a valuable source of revenue nor to be an important channel for brand building.

An interesting case in deplatformisation is Stuff, New Zealand's number one-ranking news and media site. In July 2020, the management decided to walk away from over a million followers on Facebook and Instagram in protest of the social media livestream of the Christchurch attack in 2019 (Anthony, 2020). Stuff prepared for a big drop in online traffic but that did not take place. Instead, they benefited from extensive public support, growth in trust and a newsroom that could then stop thinking about quick wins in the race for audience attention and instead plan for journalism with a long-term impact (Mercer, 2021).

In the project we divide the grip and power of Silicon Valley over media into a framework with six categories (Lindén, 2020), which helped us to map out the dependency relationships between legacy media and social media. This framework enables the analysis of dependency within multiple dimensions. These are companies that come with many shapes and variations, for instance Bucher (2021) has noted that there is not only one but several inconsistent frames for analysing Facebook.

TANGIBLE AND STRUCTURAL POWER (THE NETWORK EFFECT)

1) Digital ecosystems: technological requirements for producing and sharing content. For instance, news is often consumed on smartphones on which the only operating systems are two closed ecosystems of services, Android (Google) and iOS (Apple).

2) Financial power: Google and Facebook use their revenues from their digital advertising duopoly to extend their dominance.

3) Technological authority: Google, Amazon, Facebook, Apple and Microsoft have the power to define the kind of technical knowledge that is needed for the future development of media technology.

SOCIALLY CONSTRUCTED AND SYMBOLIC POWER

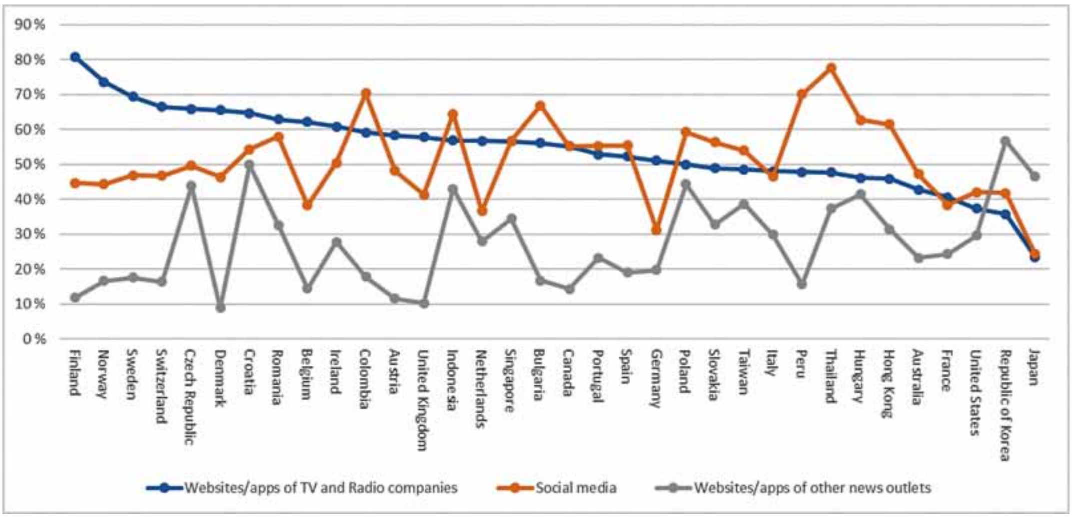
4) The consolidation strategy: Through coalitions and partnerships, Google and Facebook ensure support for their own views when faced with criticism and problems. They strive to buy potential competitors and have close relationships with politicians, bureaucrats and researchers. Media are an important part of this campaign. This approach boils down in Google's slogan "We are all in this together" (Chinnappa, 2017).

5) Interpersonal relationships: The top executives of Google and Facebook's media relationships have a strong professional background in the media world. Among them are Simon Rogers, the former data editor of The Guardian, Campbell Brown, the former news anchor for CNN and Richard Gingras, the media entrepreneur.
6) The power of metaphor: The significance of Silicon Valley as an innovation centre is highlighted through metaphors and myths. They affect the way practitioners think and act. Metaphors are a form of implicit power that make people imitate and follow different forms of acting that are considered typical for Silicon Valley. The news media have started to imitate the way in which Silicon Valley innovates (Küng, 2017).

SPECIFIC CONDITIONS IN FINLAND

Finnish news media are in a comparatively advantageous position when it comes to dependence on the tech giants. In a study by Reunanen and Pöyhtäri (2021), the online news sites of legacy television and newspapers companies have an 81% weekly reach. This is higher than in any other country in the international survey carried out yearly by the Reuters Institute at Oxford University (Newman et al., 2021). Finns usually go straight to the web pages or apps of legacy media for news delivery (71%), while 45% access news through social media, which is less than in most countries. In 2020, smartphones overtook computers in Finland for the first time as the most popular device for accessing news, 69% compared with 58% (Newman et al., 2021). Trust in news is also exceptionally high in Finland as 65% of respondents overall - and 73% for "news I use" - say they trust "most news most of the time". Notably, only 16% trust news distributed on social media (Newman et al., 2021). Looking from this perspective it may seem strange that quality news media use channels of news distribution that do not support trust in news. When it comes to willingness to pay for digital news, Finland is behind others in the Nordic context. A Reuters Institute survey showed that in Norway, paying for online news is more widespread than in any other market, at around 45% compared with 30% in Sweden and 20% in Finland (Newman et al., 2021). What is also characteristic for Finland is the dominance of one single media company, Sanoma,

Figure 1. Which, if any, of the following have you used in the last week as a source of news?[4] (Source: Reunanen & Pöyhtäri, 2021)



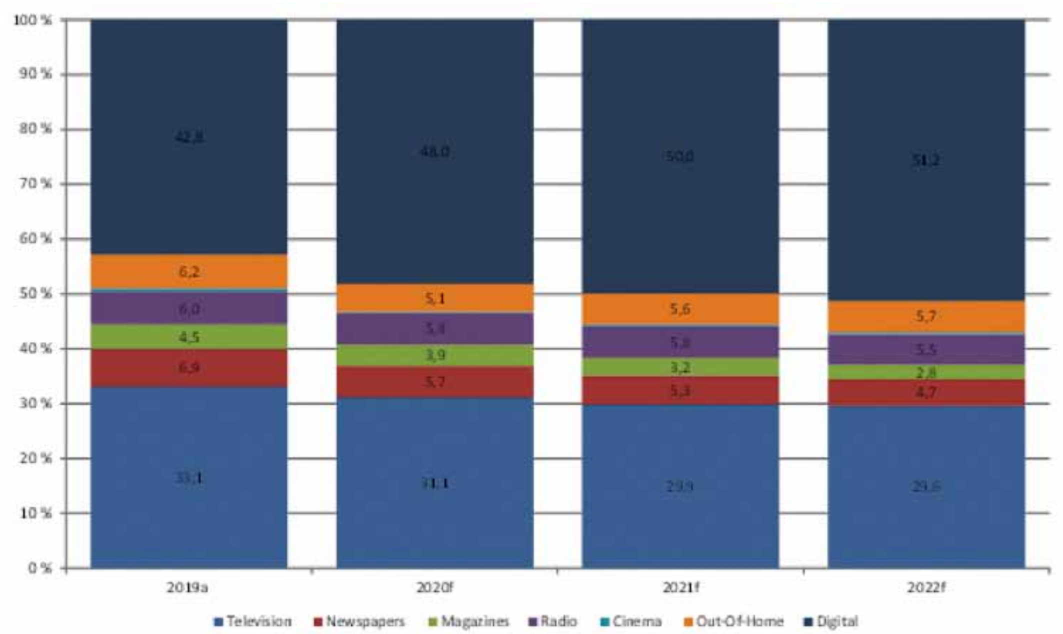
where the broadsheet Helsingin Sanomat attracts almost half of subscribers (48%). This concentration is higher than in the United States where half of all subscribers (45%) pay for the New York Times, Washington Post, or Wall Street Journal. In the UK, The Times, Telegraph and Guardian account for over half (52%) of those who currently pay for journalistic content (Newman et al., 2021).

4 The media types are here constructed from a list of more refined media types. N = all the respondents in each country.

TRENDS IN ADVERTISING

The platform business model is based on advertising revenues, and therefore trends in advertising are such an important topic for this report. In all, European news media are confronted with serious challenges and deeper structural developments such as changing reading habits and a shift from use of print news to consumption of online news (Björkroth & Grönlund, 2018). Innovations and new technologies are strengthening traditional media to provide consumers with more engaging and relevant experiences. For a considerable time, most news media have relied on a business model with an extensive portion of their revenues being derived from advertising. However, a profound shift in the newspaper business model has happened, and global newspaper circulation revenues have surpassed advertising revenues[5]. The shift of revenue balance away from advertising and towards consumers means that audiences have become for many publishers' the biggest source of revenue.

Figure 2. Proportion of global advertising spending by media 2019-22 (Source: dentsu Global Ad Spend Forecasts January 2021)



In most Western news media markets, the proportion of overall revenue made up by print advertising is declining, and this decline is expected to continue. For instance, according to IMARC[6] advertisers have realised the potential of a mobile device as a medium for reaching an audience from anywhere and at any time. Therefore, mobile advertising has witnessed exponential growth over the past few years as it has emerged as a cost-effective, convenient, and highly targeted way of communication for users.

5 PwC's Global entertainment and media outlook 2016-2020

6 IMARC's Global Advertising Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026

Digital transformation is rapidly shifting advertisers' budgets from traditional media platforms to online and digital advertising.

ZenithOptimedia's Advertising Expenditure Forecasts predicted[7] that in 2020 global advertising expenditure would drop almost ten percent (9.1%). The steepest decline took place between March and May, with timing varying by country. However, according to the Zenith forecast, global digital advertising spending rose 1.4% in 2020 and increased its proportion of total advertising spending to slightly over half (52%). Magna Global advertising forecast estimated that in 2020 digital media will account for 59% of all global advertising spending. For 2021, Zenith predicted that global advertising spending will grow by 5.6% to US $620 billion. In 2021, GroupM projected the global ad marketplace to grow by 10.2%, reaching $651.1 billion. Dentsu's[8] forecast was that global advertising expenditure will recover to 5.8% growth in 2021, reaching a total of $579 billion. One common trend among the advertising forecasts globally is that digital media advertising expenditure will continue to grow at a greater rate than traditional media, accounting for more than half of all spending on advertising. Zenith has forecast that digital advertising will account for 58% of the global expenditure on advertising by 2023. According to the WARC, a marketing analytics company, it is predicted that Google and Facebook's share of the global online advertising market was 61.4% in 2019. GroupM[9] estimated that in 2020, the digital proportion of total US advertising expenditure would make up more than half (51%) for the first time. In 2020, according to a GroupM forecast, Google, Facebook, and Amazon were the biggest winners in advertising markets, and they predicted that these three tech giants would account for nearly two-thirds of total US digital advertising expenditure. According to IAB Europe[10], digital advertising drives the European ad market and digital advertising exceeded half (50.4%) of all media advertising expenditure for the first time in 2019.

At the same time, the COVID-19 pandemic has forced companies to increase their digital transformation, as e-commerce has proved to be a critical tool for maintaining relationships with existing customers, mitigating the loss of in-store sales, and even finding new customers. Euromonitor International forecasted that in 2020 e-commerce sales increased by a quarter (25%). For consumers, when unable or unwilling to visit stores, e-commerce has become a way of providing the goods they need. There are also indications that manifold consumers have made permanent changes to their shopping habits. Concurrently, search and social media advertising have proved to be particularly useful for these purposes. The pandemic also raised the value of first-party data for brands. According to ZenithOptimedia's report, (2020) first-party data gives brands powerful insights into their customers' behaviour and provides a real competitive edge. It will allow brands to navigate changes to consumers' behaviour and attitudes as the crisis develops and identify when it is time to start investing for the upturn. Magna Global predicted that the return of consumer mobility, major events and economic recovery will prompt most industry sectors to expand their linear advertising budgets in 2021, but the long-term trajectory has shifted even further towards a digital-centric marketing environment for years to come.

Digital advertising has fundamentally changed the way in which businesses reach consumers. Stores of consumer data are used to tailor advertising that is bought and sold in the fraction of a second when an Internet page loads. Digital advertising is increasingly the business model of choice to fund a range of so-called zero-price services in the digital economy. These multi-sided markets bring together multiple parties, including platforms, content providers, consumers and advertisers (OECD, 2020)[11]. There are several types of digital advertising and different ways to classify the field. The three main forms of digital advertising are search advertising, display advertising and online video advertising. In addition, content providers and social media platforms offer new forms of search advertising, such as

7 Zenith's Advertising Expenditure Forecasts December 2020

8 Dentsu's Global Media Ad Spend Forecasts January 2021

9 GroupM Global End-of-Year Forecast December 2020

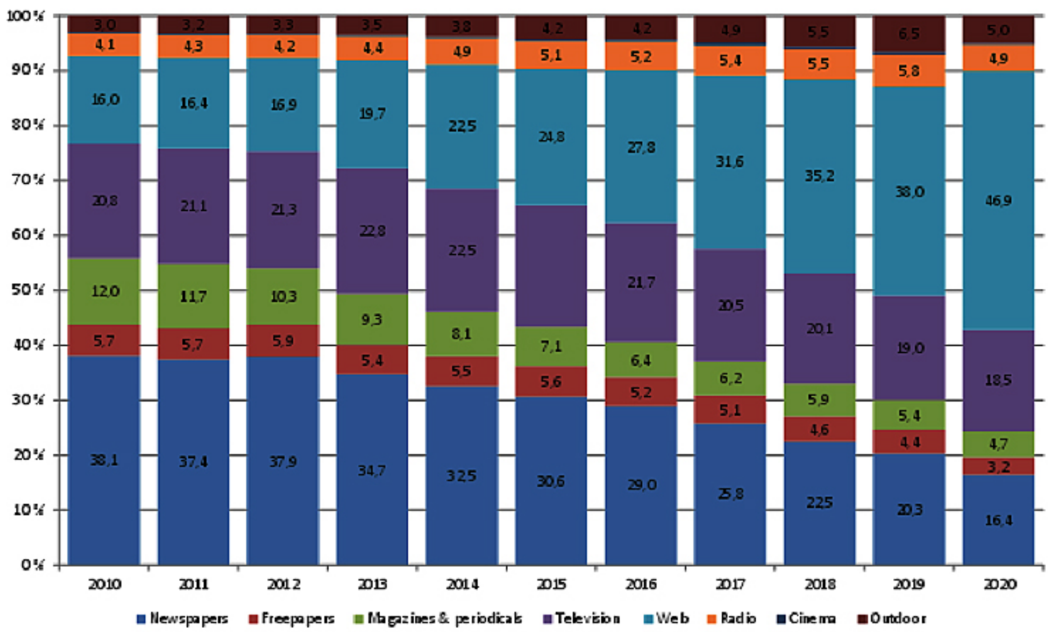
10 IAB Europe's Adex Benchmark Report 2019 (2020) is the guide to the state of the European digital advertising market. The report details data from across 28 markets in the digital advertising market.

11 OECD (2020), Competition in digital advertising markets, http://www.oecd.org/daf/competition/competition-in-digital-advertising-markets-2020.pdf

native advertising[12] and user-generated ads, including "influencer" advertising[13]. (OECD, 2020).

According to several forecasts, the growth of e-commerce is not expected to reverse once the world starts to recover from the COVID-19 pandemic and companies are expected to devote even more of their budgets to digital advertising. Therefore, the recovery of legacy media will be sketchy and challenging. For newspapers and magazines, the future in the advertising markets is challenging and advertising expenditure in both is forecasted to continue to decrease in the coming years. For example, WARC's Marketer's Toolkit[14] proposes that the current global downturn will further accelerate a shift in the division of advertising investments, and digital channels are set to dominate the media budgets of advertisers.

Figure 3. Shares of media advertising in Finland by sector 2010 – 2020[15] (Sources: Finnish Advertising Council, Kantar TNS)



Conversely, the prospects for traditional media advertising channels are descending. For example, just four percent of advertisers intend to raise their print expenditure, compared to more than half (54%) of them who were planning to make cuts in 2021. The focus of the publishing industries will continue to be on digital transformation, increasing digital subscriptions and advertising expenditure, while leveraging the value of existing brands to diversify revenue through digital channels.

12 In 2015 The US Federal Trade Commission (FTC) has defined native advertising as "content that bears a similarity to the news, feature articles, product reviews, entertainment, and other material that surrounds it online"

13 OECD (2019), Online advertising: trends, benefits and risks for consumers, https://doi.org/10.1787/1f42c85d-en. "Influencer" ads, which are user-generated ads or endorsements from social media users that have a large social media following and hence can "influence" consumer trends. Influencer ads, being user-generated, will appear in the feeds of users that follow the influencer and hence, can be difficult to identify as advertising if the influencer does not clearly disclose the commercial nature of the post

14 Marketer's Toolkit is a report with insights drawn from over 1000 marketers, more than 20 global CMOs and analysis of proprietary research and best practice in the current marketing environment.

15 The figure applies to the so-called traditional media group categories. Kantar's media advertising total figure includes advertising at fairs, which is not included in Statistics Finland's media advertising figure. Announcements, notices, column advertisements and public offices are not included in press advertising.

Also, in Finland, changes in media use has altered advertisers' media portfolio and advertising investments. Consequently, for a long time advertising has been a major source of revenue for both print and electronic media. For example, Finnish newspapers are still significantly dependent on print advertising revenues and therefore the industry is quite sensitive to changes in the amount and targeting of advertising (Ala-Fossi & al., 2020). Media advertising grew only moderately during the 2010s. In 2020, the economic shock caused by the COVID-19 pandemic forced most companies to reduce their advertising, and the total value of media advertising dropped from approximately €1.26 billion to somewhat over €1.1 billion.

Ten years ago, the proportion of total media advertising generated by printed newspapers in Finland accounted for approximately 38%. In 2020, this was only around 16%. It is important to note that most provincial newspapers, and especially local newspapers, are still very dependent on print revenues because revenue streams from online advertising have not compensated for the decline of print advertising revenues, at least for the time being. Concurrently, during the last decade, online advertising has grown significantly, and its proportion in 2020 was already almost half (47%) of total media advertising in Finland. Statistical data offered by the Finnish Advertising Council and Kantar TNS indicate that two major international players, Google and Facebook also collect most of the digital advertising revenues in Finland. Even though total media advertising decreased by 11.3% in 2020, online advertising was growing (+ 2.2%). Within online advertising, social media (+ 8.4%) and search advertising (+ 4.7%) increased the most. These are advertising channels where Facebook and Google are key players and therefore, it is likely that their position has further strengthened. Facebook and Google do not publish country specific information about their profits from advertising, so estimations are based on secondary information.

In 2020, social media and search engine advertising accounted for almost two-thirds (63%) of all digital advertising.

INITIATIVES OF PLATFORM COMPANIES TO SUPPORT NEWS MEDIA

Complex ties interlink the news media and the major platform companies, the latter of which are simultaneously competitors, infrastructure providers, and subjects of coverage for the media (Fanta & Dachwitz, 2020). The global platform companies are also among the largest benefactors of journalism in the world. Companies such as Google and Facebook have created a variety of training initiatives, laboratories, and on-going collaborations with news organisations to help journalism succeed in the new digital media landscape. These initiatives include funding and support for educational initiatives aiming to enhance newsrooms' capabilities in boosting productivity and collaboration in news production and distribution through technology. News media companies have largely agreed to take part in these initiatives. Since 2013, Google has funded European journalism by providing over €200 million, as it has given grants to hundreds of media companies, start-ups, individuals, and research institutions throughout Europe to engage in innovation projects. It also organises journalism conferences and finances fellowships for young journalists at respected news organisations (Fanta & Dachwitz, 2020). However, this development has also raised growing concerns over technology companies' potentially growing influence over the news media companies.

In March 2018, Google announced plans to transform the European initiative into a global project on completion of the Digital News Initiative (DNI) funding rounds – the Google News Initiative (GNI)**.** GNI is Google's effort to work globally with the news industry to help journalism thrive in the digital age. Total effort of this program has been approximately $300 million invested in a range of programs, projects and partnerships. Through GNI, Google has worked with media companies in several ways, such as training, newsroom partnerships, funding for video and cloud capabilities etc. According to Google, the goal of GNI is focussed around three primary goals: 1) elevating and strengthening quality journalism, 2) enabling new business models to support quality journalism, and 3) empowering news organisations to leverage technology for innovation in the newsrooms. To accomplish this, Google has engaged with news partners to create new products, partnerships, and programs. GNIhas supported over 6,250 news partners in 118 countries through $189 million in funding. According to Google's own Impact Report 2020, in Europe GNI has since 2018 offered $54 million to almost 1,900 news partners in 36 countries.

The Digital News Innovation Fund (DNIF) was a European programme, part of the Google News Initiative, set up to help support high-quality journalism through technology and innovation in order for it to thrive in the digital age. DNIF supported projects tackling four key industry challenges: "Battling misinformation", "Telling local stories", "Boosting digital revenues", and "Exploring new technologies". During the programme life cycle DNIF granted funding to 662 projects at news organisations in 30 countries across Europe. The total amount of funding during the programme was €150 million, including a 6% share of costs for knowledge sharing, reporting and overheads. In Finland, 20 media outlets received funding, including large and small media companies and educational institutions.[16] Total funding for Finnish projects was approximately €2.9 million.

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16 Aatos Productions Oy, Aller Media Oy, Alma Media Kustannus Oy, Imake, Keskisuomalainen Oyj, KSF Media Ab, Long Play Media Oy, Lucify Oy, Mediakunta Osk, NewsInFocus Oy, Otavamedia Oy, Oy Suomen Tietotoimisto Finska Notisbyrån Ab (STT), Picks, Keski-Pohjanmaan Kirjapaino Oyj, Sanoma Media Finland Oy (Helsingin Sanomat), Suomen Humanistinen Ammattikorkeakoulu Oy (Humak), University of Applied Sciences (Ltd.), Talentum Oyj, and Turun Sanomat Oy

Table 1. Distribution of projects by country in DNIF (Source: Digital News Innovation Fund Impact Report)

COUNTRY	PROJECTS	€	COUNTRY	PROJECTS	€
Austria	17	€3M	Latvia	5	€250K
Belgium	18	€5.3M	Lithuania	6	€910K
Bulgaria	6	€503K	Luxembourg	2	€770K
Croatia	3	€850K	Malta	1	€150K
Cyprus	1	€450K	Netherlands	32	€5.5M
Czechia	12	€1.5M	Norway	21	€3.8M
Denmark	15	€2.5M	Poland	33	€6.6M
Estonia	2	€441K	Portugal	32	€7.8M
Finland	20	€2.9M	Romania	16	€1.8M
France	75	€20.1M	Slovakia	6	€1.5M
Germany	93	€21.5M	Slovenia	7	€843K
Greece	11	€2.3M	Spain	47	€12.1M
Hungary	18	€2.6M	Sweden	15	€2.8M
Ireland	10	€1.9M	Switzerland	15	€3.4M
Italy	45	€11.5M	United Kingdom	78	€14.9M

The Google News Lab mission is to "collaborate with journalists and entrepreneurs to help build the future of media". The News Lab, launched in 2015, offers partnerships and training with news organisations to help drive innovation, address industry challenges, and provide training and access to emerging technologies for reporting and storytelling. Since launching a global journalist training program, it has trained 347,000 journalists in person (Google News Initiative: Impact Report 2020). The News Lab was folded into the wider Google News Initiative (GNI) when it was launched in 2018.

In April 2020, GNI launched the global Journalism Emergency Relief Fund to support small and medium-sized news organisations producing original news for local communities. The aim of the Fund was to support the production of original journalism for local communities in the face of the COVID-19 pandemic. Funding was targeted at newsrooms employing between two and 100 full-time journalists and eligible applicants had to have a digital presence and have been in operation for at least 12 months. Local publishers employing more than a hundred full-time journalists were able to apply and they were considered subject to Google's discretion, based mainly on differing needs in different countries and regions. Eligible applicants included for-profit or non-profit traditional news organisations, digital natives, radio and/or TV broadcasters that had a focus on core news provision, i.e., not lifestyle, sport, or business-to-business. Government-owned entities and individuals were not eligible to apply funding.

Over a two-week application period, the Journalism Emergency Relief Fund received approximately 12,000 applications from 140 countries around the world. According to data[17] provided by Google, around 5,600 newsrooms in 115 countries were funded. Selected publications received between $5,000 to $30,000 in funding with those under the same parent organisation capped at $85,000. In Europe, almost 1,700 newsrooms, including 80[18] Finnish newsrooms received funding.

Facebook has also invested $100 million to support the news industry during the COVID-19 pandemic in addition to a previous $300 million commitment to serve journalists around the world through programs and partnerships. For example, in May 2020, Facebook awarded $10.3 million to 144 local U.S. newsrooms as part of COVID-19 Local News Relief Fund Grant Program. The purpose of the fund-

17 Full list of fund recipients is available https://newsinitiative.withgoogle.com/journalism-emergency-relief-fund/recipients/

18 Number of funded Finnish newsrooms by company: Keskisuomalainen Oyj 59, KPK Yhtiöt Oyj 9, Suomalainen Lehtipaino Oy 4 (nowadays part of KPK Yhtiöt Oyj), KSF Media Ab 3, Förlags Ab Sydvästkusten, Marva Media Oy, Pyhäjärven Sanomat Oy, Ylä-Satakunnan Sanomalehti Oy, Kymimedia Oy, Helsinki Times (ABYZ OU), and News Now Finland (David MacDougall).

ing was to enable publishers to maintain or add jobs, expand or improve news coverage and grow audience and technological capabilities. In partnership with Splice Media, Facebook awarded 56 COVID-19 emergency relief grants to publishers across Asia. In partnership with the European Journalism Centre, Facebook gave grants to 162 news organisations and freelance journalists across 28 European countries[19]. In Finland, the only recipient of the Facebook Local News Relief Fund Grant Program was Iso Numero magazine.

We want to stress that these support systems for journalism are not unproblematic. For example, the Google News Lab has been criticised as an attempt to build goodwill among journalists. As one critic (Ingram, 2019a) puts it:

> *They [platform companies] have money, and they are willing to spend it! And, best of all, it appears to have no strings attached. The reason why it doesn't have any obvious strings attached, however, is likely because these giant platforms don't actually care what happens to the money, so long as they get to issue their press releases and make themselves look good in the eyes of regulators. It may feel like a win-win, but it isn't. It's a giant, thorny conflict of interest with a check attached.*

Researchers also note that venture philanthropy comes with an ideological dimension where journalism's public values are framed in market-centric terms. Creech and Parks, (2021) state how:

> *Venture philanthropy works as a site of tech industry influence and ideology in the field of journalism, primarily by demonstrating how the discourse construes publicly focused journalism as existing in part thanks to the largesse and beneficence of the tech companies who structure and extract value from the digital public sphere.*

19 The list of grant recipients is available at https://europeanjournalism.fund/news/68-news-organisations-freelancers-grant-funding-covid19

KICK-OFF SEMINAR

The project started with an online kick-off seminar on 17 February 2021 with an international audience of 140 registered participants. We had invited six speakers to give their view on the relationship between platforms and publishers. The topic of the discussion was what it requires for news media and advertisers to reduce dependence on Silicon Valley tech giants.

Professor Lucy Küng, who is an international expert on mastering digital transformation in the media, talked about the complexity of the relationship, calling it a "horrible syndrome" in which different fields of knowledge clash with each other. Finding solutions is hard, considering the high number of potential outcomes: "Even if we only look at regulatory perspectives, we are talking about competition law, free speech law, public harm law, data privacy law. It is very hard to work out what an intelligent response is."

Küng noted that platforms are "here to stay" as they enjoy a growth dynamic and cost structure that publishers will never share. Further, social media are where audiences are, and publishers need to find them there if they are to grow. It is hard to catch attention, as platforms have set consumer expectations for product design at a "painfully high level".

Based on almost a dozen discussions with media executives and platform representatives Küng suggested that publishers have to play "offence rather than defence". This means that they need to focus on sustainability which is grounded in four important parts: a) creating journalistic value propositions that are absolutely clear; b) diversifying revenue streams around that valuable journalism because, for instance, classic advertising is massively disrupted and in structural decline; c) owning the customer relationship, which means not letting platforms set the rules and criteria for engagement; and d) resting on new competencies, which are product and service design, data, and distribution.

Internally, publishers also need to evaluate all platform activities holistically, which means capturing all learning and finding the right leverage point to change a system – they might even need to appoint their own Chief Platform Officer. Externally, publishers need to collaborate and focus their efforts, as regulators need a viable solution too: Without a strong unified publishers' voice, commonly shared visions and a smart strategic planning, the platforms will continue to capitalise on the opinion vacuum and set the agenda. Regarding if there is a "road to freedom", Küng was less sure:

> *I want us to really pull apart the kind of competitive dynamics of this relationship and then identify strategic priorities. I am not sure decouplization is going to be a way out, but I think at minimum, we need to understand how we can go on the offensive rather than being on the defensive with this.*

Kasper Lindskow, Head of Research and Innovation at Ekstra Bladet, a media brand of JP/Politikens Hus in Copenhagen, Denmark, talked about the need for publishers to develop their own IT systems and technical solutions. He had already written that 2020 was the year when media companies were going to take control of their own destiny, in a popular blog post (Lindskow, 2020). Just as Küng, he underlined the need for a strategic offensive approach instead of merely adapting to the facts of life in the platform world. During the past few years Ekstra Bladet has actively tried to reduce dependence on platforms by placing a ceiling on website traffic from Facebook and offering alternatives to technical solutions from platforms, for instance. More specifically, Ekstra Bladet is developing its first-party data management ecosystem, a process that involves control of user data, analytics, advertising infrastructure as well as artificial intelligence (AI) and machine learning (ML) technologies. First-party data is information a company collects directly from its customers and owns. Lindskow explained that:

> *What we have been doing for some time is building platforms based on collaboration among publishers in Denmark to offer more reach and more opportunities than we can do ourselves without having to rely on the tech giants.*

The platform Relevance has been developed for using first-party data and is integrated with Adform, the main tool used by advertisers in Denmark. Thus, there are fewer third parties in the value chain, and it is supported by its first-party data analytics and collection system called Longboat, which gives more flexibility than relying on Google. Instead of using the advertising infrastructure provided by Google they turned to another American company, Appnexus, that is more flexible. Lindskow observed that:

> *This is an example of an area where we really cannot, as of yet, build an advertising answer ourselves. That is too complicated and takes too much scale. But it is possible to choose a supplier that's not tied to any of the big tech companies.*

For development of AI/ML solutions Ekstra Bladet has also launched the Platform Intelligence in News Project (PIN) with three universities, which is mainly funded by the Innovation Fund Denmark (IFD). Planned applications include personalisation of the news flow and user experience, topic extraction, cross news article summarisation, and conversational journalism.[20] AI development is largely driven by tech giants, but according to Lindskow, publishers need to establish their own technology based on their specific values and needs, for instance regarding journalistic ethics: "This is really a part about allocating the limited resources we have to developing our own platform, which you can control."

In contrast with Danish companies, the large Swedish publisher Bonnier News decided to integrate their ad inventory system even deeper into Google's infrastructure. The strategic reason was lack of time, finances and resources for their own development, as well as the risk that technology very quickly becomes outdated (Næss, 2021).

Petra Wikström, Director of Public Policy at Schibsted, the Nordic media and digital consumer brands group, is one of the more active lobbyists in the media industry and her focus is mainly on the European Commission. Her strategy is not only to bring attention to problems, but also to provide constructive advice, such as potential solutions to problems. For instance, the company has served the commission with several white papers (Schibsted, 2019).

With its global presence, Schibsted has encountered many constraints in dealing with platforms. One problematic challenge is that smartphones only run on two operating systems, Android and Apple's iOS. In Sweden, Norway and Denmark the iPhone dominates the market, which means that Schibsted needs to sell digital subscriptions through the App Store. Firstly, Apple takes a 30% commission and has strict terms and conditions that are not negotiable. If one breaks any of these rules, Apple can block the app, which, in Schibsted's case, they have threatened to do. In addition, Apple's privacy rules are stricter than what is required under the European Data Protection Regulation (GDPR) and they must be communicated in the company's own wording, word by word. Using the App Store also means being forced to use Apple's payment system instead of allowing the reader to pay according to their own preferences, with a credit card or with Klarna, Swish, and other services. Wikström commented in her presentation on Apple:

> *We don't actually know who buys the subscription. We don't know where the person lives. We don't know what the person reads in the app and we don't know what the person is interested in, because all this information goes to Apple and we don't get any of that data. Apple actually takes over the customer relationship and we lose the relationship to our readers.*

Alexander Fanta is a Brussels-based journalist at Netzpolitik.org, a German news site that covers digital rights issues. He and Ingo Dachwitz (2020) have been studying Google's innovation funding for European media and discovered that German news media lack resources for innovation. In addition, only a small number of the projects that Google funded were designed to generate revenues, mainly

20 https://www.cbs.dk/en/research/cbs-research-projects/research-projects-overview/e3092958-c64c-46f8-94db-36c92bd0b5ed

through subscriptions. "Google is kind of steering away publishing houses from the advertising business, for whatever reason", Fanta said.

He also noted that the EU is reacting to the lack of funding opportunities through several initiatives such as the News Initiative[21], which was presented in December 2020. The Commission supports news media in four ways: 1) by engaging in a structured dialogue with the industry (European News Media Forum); 2) by enhancing competitiveness through better access to finance to support the transformation and competitiveness of the sector (InvestEU guarantees); 3) by unleashing innovation (European 'media data space' initiative); and 4) nurturing democracy (European Media Freedom Act). Fanta said that:

> *So here is the commission saying that they want to start addressing the funding gap of news media in a meaningful way through various programs over the next couple of years. I think this is very interesting to look at also in terms of what it means compared to what the platforms are already doing.*

The speaker after Fanta was Riikka-Maria Lemminki, Managing Director of Marketing Finland, a network with around 400 companies in the Finnish ad industry. She has also been an executive committee member of the World Federation of Advertisers (WFA).

She noted that advertisers use so much social media because they have the audience and have made it easy and cheap to buy advertising. However, she brought up how:

> *But there are also many pitfalls that we have noticed, which are not problems that only platforms are everywhere in digital marketing. No brand wants to be funding terrorism organizations, no brands want to be found next to harmful content.*

The lack of transparency is also becoming a larger problem as conscious brand owners want to know where platform companies pay their taxes. There is also no way to verify how their spending transforms into advertising, because of the high number of middlemen taking their share, that in some cases only 12-13% ends up being used in ads.

For advertisers, a healthy media environment is essential because it helps people find important information about local politics or health issues – without trust the whole society will collapse. But media companies must find new ways to attract advertisers:

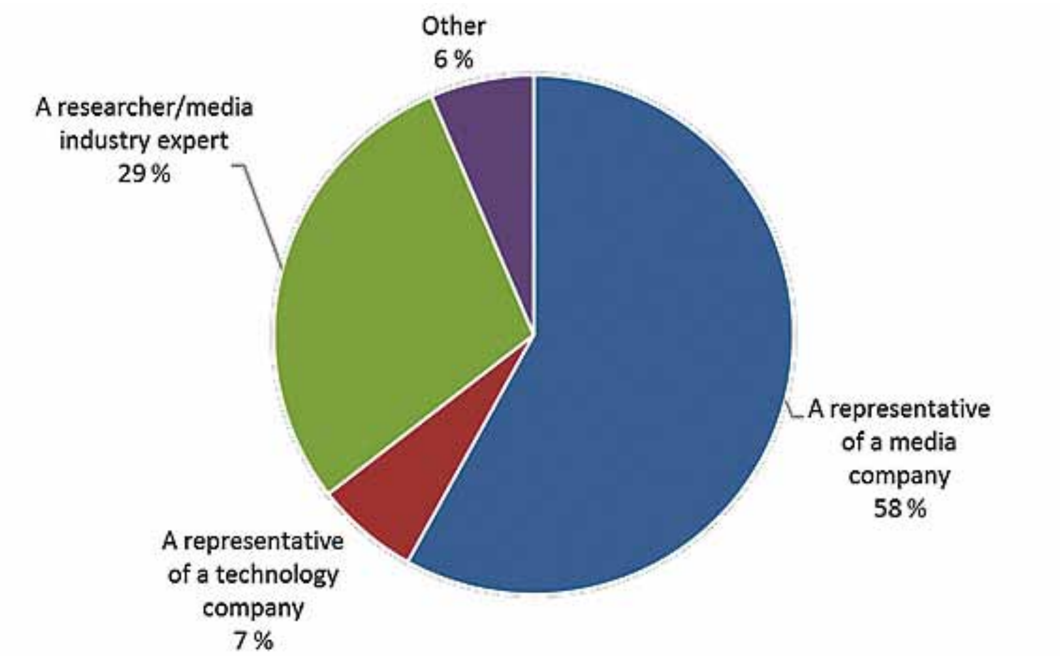
> *I would like to tell media companies that concentrate on how you can create a new kind of environment that attracts people, that people can trust that they get high quality information.*

21 https://digital-strategy.ec.europa.eu/en/policies/news-initiative

CANVASSING SURVEY

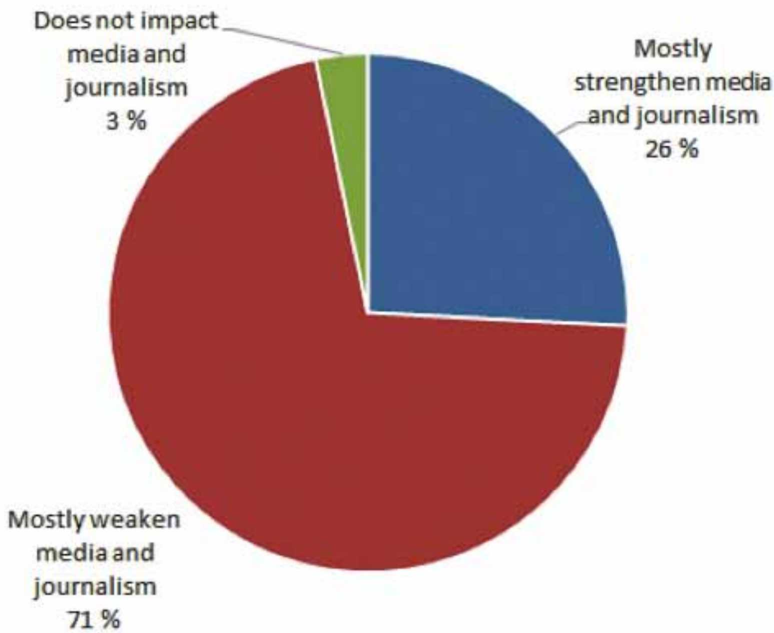
The objective of our online canvassing survey was to find out how global technology giants and their actions have impacted media and journalism during the current decade. Canvassing is a questionnaire method developed for describing different scenarios. It has been used, for example, by the Pew Research Center to map out experts' views and expectations (Anderson & Raino, 2020). With the help of the method, we produced three scenarios for 2030 that illustrate the ways in which the dependency of news media on the technology giants from Silicon Valley can change and what the potential outcomes of these changes would be. The Finnish language online survey was sent to editors-in-chief and other key personnel in Finnish news media. The English version of the same survey was sent to a selected group of international media industry experts and researchers. Both surveys were conducted simultaneously in summer 2021, and invitations to participate in the survey were sent to 415 individuals, of whom 257 were domestic and 158 were foreign respondents. A total of 31 responses were received and the response rate was approximately 7 percent. Slightly more than half (55%) of the respondents were from outside of Finland. Over half (58%) of the respondents were representatives of a media company and a little under one third (29%) were either researchers or media industry experts.

Figure 4. Distribution of respondents by the role (n = 31)



Nearly three-quarters of the respondents thought that Silicon Valley tech companies would mostly weaken media and journalism over the next decade. Although a slightly smaller proportion of Finnish respondents (64%) considered the impact of technology companies on journalism and media to be negative, there were no significant differences in the views of foreign and domestic respondents on the impact of technology companies over the next ten years.

Figure 5. How will Silicon Valley tech companies impact media and journalism by 2030?, (n = 31)



In addition, respondents were asked to justify their views on the state of the media and journalism in 2030 and explain what will change and what the role of Silicon Valley technology companies will be in the transformation taking place in the next ten years. respondents who believed that the companies will mostly weaken media and journalism and respondents who think that media and journalism will mostly be strengthened anticipated that changes affecting the media industry will concern *advertising, consumers, journalism,* and *policies.*

Next, we will analyse the responses to this open question in the survey through the four categories in two opposite or contradictory progressions.

Respondents: Silicon Valley tech companies' impact will mostly weaken media and journalism

Advertising

The respondents reckoned that while advertising becomes increasingly digital, technology companies will strengthen their position in the advertising markets. This will lead to a situation in which technology companies, such as the platform companies, eat up all or almost all advertising revenue of the traditional media. Therefore, to survive, by 2030 news media companies must find new business models to replace their current business model, which is still heavily dependent on advertising revenues. Subscriptions, memberships and other ways to collect consumer revenues are seen as a vital way to build a sustainable business in the future. However, a business environment in which media companies are heavily dependent on subscriber revenues may lead to an unbalanced competitive situation, which is especially challenging for small and medium-sized media companies. The respondents believe that only a few large and successful media companies and brands will be able to attract enough paying customers or generate enough demand for their media products or services to maintain a sustainable and viable business. This could lead to further consolidation and concentration of media, and smaller media companies could therefore wither away or become more dependent on big tech companies.

Consumers

The respondents expected that consumer behaviour will be normalised after the COVID-19 pandemic and consumers' willingness to pay for editorial content will fade away. In addition, tech companies' importance in acquiring new audiences will increase. Algorithms with attention and retention as drivers will win the battle over consumers, and tech companies and platforms will create, at least to some extent, disruption in the newsrooms. There will be more barriers to direct relationships between media companies and consumers.

Journalism

Technology companies' influence on journalistic work is expected to increase as content formats and services set new standards and form consumer expectations in a way that traditional media companies must adhere to to stay relevant. However, media companies do not have the power or resources to be inventive in the same manner as technology companies, and as such, they are forcing the media industry into a reactive mode. With the shift from mobile devices to wearables, consumption of journalism is also expected to change in unforeseeable ways.

Platforms will continue to work as important intermediaries in content distribution. When interesting voices and opinions can be found outside the established media companies and traditional media loses its relevance, people are missing a grand narrative and a sense of community. As platforms become more important as intermediaries, traditional journalism may find itself in crisis. In the attention economy, there is a danger that fake news and other harmful content will get larger audiences, which will accelerate the polarisation of opinions and society overall. By 2030, all information sharing will have moved to the Internet, which could possibly lead to an information access gap.

Some respondents were also concerned that journalism could become marginalised. There is a risk that the traditional media would sink into the role of a mere content provider for the technology giants, which will use the content as they wish. Journalism as such will survive, but the number of journalists covering important current events, news and providing objective analysis will be many fewer than today. However, public service providers could have an important role to play as one of the few viable alternatives.

Policies

Media companies, journalistic organisations and other players in the media sector are not considered to be actors who, by their own actions, could change the current situation in which news media are dependent on Silicon Valley's technology companies. Instead, there are hopes that by 2030, the situation could be changed at a regulatory level. The current financial advantage of the technology companies will be reduced as international politics will push this theme even more on their agenda and competition laws will reduce the power of the biggest players.

It is also expected that the Chinese government and Chinese software producers will find technological and regulatory ways to continue the supply of their products to the rest of the world. By 2030, newsrooms in the West will need to contend with the first major global platform company based in China.

Respondents: Silicon Valley tech companies' impact will mostly strengthen media and journalism

Advertising

Respondents who thought that technology companies would mostly strengthen media and journalism shared the view that print advertising revenue will continue to decline. Most likely Facebook and Google will still be used as marketing channels, but media companies will not be entirely dependent on them. The biggest media organisations have adopted a digital strategy that will most likely make them even bigger than now, perhaps by consolidating or absorbing some of the local players into their offerings. Future business models will rely increasingly on reader revenues, which will be gained from a range of combinations of subscriptions and membership fees.

Consumers

Based on the responses, the platform companies' role in reaching audiences will remain significant. The use of platforms in this manner is also seen as a positive thing as they offer an efficient way to acquire audiences and to get into people's everyday lives. Appearing in social media platform feeds is important especially for small local newspapers, because audiences might not otherwise end up consuming their content.

Technology companies drive media companies to innovate, which in the end will strengthen the media industry. Niche providers will find new routes to the market and new ways to engage with audiences will likely emerge, ranging from audio to video and more.

Journalism

The respondents see that while Silicon Valley technology companies strengthen their position, there will be a greater need for critical journalism done by professionals. Therefore, the traditional media companies may become stronger as the importance of source credibility grows. By contrast, if the technology companies withdraw from providing their services, there is a danger of the emergence of news deserts where limiting technology also means setbacks in media consumption.

Policies

The Congress of the United States could reduce the ownership dominance of the Silicon Valley technology companies, and this would lead to sharing of business revenues with national corporations. The same thing is likely to happen in the EU. The current global debate on the taxation of technology companies is not likely to lead to any changes but will remain a topic of discussion that will not go away.

INTERACTIVE WORKSHOPS

The project's researchers held three interactive workshops with Finnish media representatives to gain knowledge about the Finnish news media's dependency on the Silicon Valley technology companies and reflect on which mechanisms news media could work itself loose from the technology corporations' influence and get into a more independent position. The workshops also targeted the evolution in media during the following 10 years and how the relationship between media and technology companies will look like in 2030. Due to the COVID-19 pandemic, the workshops were conducted via video conferencing tools Zoom and Microsoft Teams.

The first interactive workshop with the Association of Editors (Päätoimittajien yhdistys PTY), an organisation for Finnish news media editors, was held on 15 March 2021 with 28 participants. First, the attendees received a brief presentation about the research project and were asked how they are dependent on the technology companies of Silicon Valley. After that, the workshop continued as a free-form discussion. In autumn 2021, two other interactive workshops were held with representatives of Finnish news media. A workshop in the Swedish language was held on 24 September with six attendees from Svenska Yle, Hufvudstadsbladet and Studentbladet. A workshop in Finnish was held on 12 October with seven attendees from Yle, Kaakon viestintä, Savon Sanomat and Karjalainen. At both workshops the attendees could reflect on pre-planned questions from the researchers as well as on the thoughts of the other participants. The attendees were asked the following questions: How is your organisation dependent on the Silicon Valley technology companies? Do you see the situation as a problem and how? What have you done about it? If you do not see the situation as a problem, why not? What do you anticipate the situation will look like in 2030?

In the interactive workshops, the participants discussed future scenarios from the perspective of the *audience, policies, alternative systems* and *technology and data*. Regarding the audience, most of the worries relate to how to reach new (young) people while also maintaining the relationships with the old ones. The participants felt that they are now dependent on the current and coming platforms and would also be in 2030. Without regulation, these platforms would dictate the kind of content creation that was possible, and how and to what target group it would be distributed.

Some of the discussants raised the idea that during the coming ten years media should become better at establishing a profile and branding itself. The aim should be in clarifying its own meaning and making it clear to the audience why media exists. The aspect of social responsibility should be emphasised and in relation to this the difference between media, marketing and social media should be distinguished. Yet ultimately everything depends on cultural aspects and what the audience spends their time, attention, and money on. According to the participants, keeping the money and users in their own media would become increasingly difficult as the big technology companies continue to compete and challenge them in the field of media and advertising sales.

When discussing scenarios for 2030, the role of policies and EU level legislation was emphasised the most. Many of the participants commented that we are still dealing with the relatively new phenomenon of social media. These have been around only for about 15 years and during this time, the legislation has not kept up in the EU nor in the US. Yet the EU's Digital Service Act (DSA) and Digital Market Act (DMA) are now expected to make a difference. The participants hoped that when DSA and DMA move forward in Europe, the operation of the giants would finally be regulated so that they could not operate their business completely according to their own rules as they seem to be doing now. DSA and DMA are also expected to help media companies to gain some bargaining and negotiating positions in relation to the Silicon Valley platforms. In addition, the international OECD tax regulation is expected to have an economic impact on the big technology companies.

EU-level legislation was not seen as being enough and one participant raised the question of whether even the EU is too small a regulator for this problem. Thus, in addition to the EU, the participants expect the US to act as well, for example through various tax solutions and splitting Facebook into smaller parts.

Even though many look for legislation to solve the problems with big technology companies some of the workshop attendees also expressed their doubts. For example, controlling the operations of big technology companies and the willingness of the companies to oblige was questioned. As one of the participants put it, the companies have enough money to go through legal proceedings to defend their market position. The worry of increasing use of artificial intelligence and the Chinese influence was also brought up as possible threats but not discussed further in the workshops.

While legislation might solve some of the problems related to Silicon Valley technology companies, *other alternatives* were discussed in the workshops as well. New platforms, especially publicly funded and unlicensed programs or platforms developed by 2030 are seen to have potential in creating less fragmented and equal public spaces where people of different opinions can engage in sensible discussion. A publicly funded, open access digital structure would be the first step away from the contemporary digital world controlled by US platforms, yet due to a number of obstacles in implementation this was seen as a difficult solution to fulfil. According to one of the attendees, even when there is enough know-how and developers to create new open access software, the implementation and deployment of it would prove to be too difficult.

From a *technical and data* point of view, currently the media companies rely on big technology companies' services to a large extent. Therefore, a couple of organisations that were presented by workshop attendees have already made plans to resolve the issue by developing their own platform specifically for data management. According to them the majority of the data from users is now directed to the big technology companies in the US. Their aim is to change their systems in such a manner that by 2030 their data would be on their own platforms and controlled by the media companies themselves. Owning and controlling first-party data would also help with the analytics and gaining some independence from the dominance of Google and the like.

In addition to data being owned increasingly by the media companies themselves, the participants also highlighted the question of personal data and public data in terms of how it is used and who can use it. As the private sphere is being challenged and widened all the time, the participants felt that there will be a need to address questions of privacy and public with future legislation and data management.

INTERVIEWS

The interview data collected in the project comprised 16 individual interviews carried out in Finland (5), Sweden (4), Norway (1), Denmark (1), Germany (1), the United Kingdom (2), the US (1) and New Zealand (1). Ten of the interviewees represent news media companies, four represent platform companies and two represent marketing advocacy organisations. The interviews were conducted via Zoom, the video conferencing tool in March-April 2021 by using Finnish, Swedish, Norwegian and English. One interview was conducted in October 2021.

The interviewees from marketing and news media organisations were asked to describe their relationship with platform companies, how the relationship has changed during the past few years, and what factors have been drivers in those changes. The representatives of platform companies were asked about their relationship with media and journalists. All interviewees were also asked to describe how they expect the relationship to change in the next two to five years, looking from their own field. In addition, interviewees representing news media were also asked about the use of social media and analytical tools in their companies as well as their relationship with the audience and how that has changed.

In this report we focused on the interviewees' thoughts on the future and factors affecting the possible changes to come. The situation in the next two to five years was discussed from the perspectives of *growing power of platforms, regulation, business, media companies' own actions, cooperation, technological development*, and *changes in public behaviour.*

Controlling platforms is considered to be difficult since the platform companies are global, work across borders, and have overpowering capabilities to utilise technology and data. Many of the interviewees predicted that *platforms' power will grow in the future* as they are going to extend their product portfolio and compete with traditional media companies in new areas. This is manifested in exclusive services (e.g., Netflix and YouTube Premium) and a change in the kinds of products sold. Competition for audiences is expected to accelerate in the future. In this competition, technology companies have an advantage because of their resources and capability to bring their services even to smaller markets.

The platform companies were also expected to take a larger role in the digital value chain by creating bigger and more closed ecosystems. For example, Google is planning to block third party cookies on its Chrome browser. Apple has already done this in its Safari browser. Actions like this would decrease the opportunities to gain data from the digital ecosystem controlled by platform companies. The interviewees from news media also predicted that operating systems such as iOS and Android will become more of a concern in the future. As media consumption is increasingly mobile, media companies become increasingly tied to mobile operating systems, and therefore the discussion over how operating systems dominate, and control is expected to intensify.

Perhaps the most important factor defining the future of the relationship is the *regulation of platform companies*. A common view among the interviewees representing advertising and news media was that platform companies should be regulated at some level. National regulation will not be enough, though, because the platforms operate across borders. The regulation taking place in the EU was expected to solve many concerns, but many interviewees also follow closely what is happening in the US. In general, most interviewees wished for regulation that creates fairer conditions for competition and changes to a taxation system that now favours platforms. However, the success of regulation is also subject to uncertainties. Some interviewees were concerned if the EU is too bureaucratic for the regulative acts to succeed, and that the regulation might be taking place too slowly.

The interviewees also expect changes in *media business*. The interviewees agreed that the advertising-based business model will continue to shift more to a model that emphasises reader revenues, as the platform companies will eat up most of the advertising money. In the future, we are likely to see more consolidation in the media market, because digitalisation favours big players that can aggregate audiences and know how. Consolidation can be seen as a good thing as larger companies have more leverage but on the other hand, it can reduce the diversity of news media. In all, the interviewees see that the greatest freedom for media companies stems from having a sustainable business model, through which media companies will not be dependent on state support or third parties for traffic or financing. This requires media companies to update their strategies. Media companies have a personal responsibility to develop themselves continuously and address the issues at hand.

The interviewees do not expect the current situation to improve only by regulation or other changes coming from outside of the media field. Gaining a more independent position also requires *media companies' own actions*. The interviewees see that media companies should create a direct relationship with their customers and focus on innovating and developing products and services that people want to pay for. Another way to reduce dependency on the platform companies is to take data development into their own hands such as by having their own analytical tools and controlling the audience analytics. As one interviewee commented, "knowledge about your customers is your most important asset."

Cooperation between other media companies nationally and internationally is also presented as one solution for gaining a more independent position regarding the platforms. Cooperation can be technological (such as sharing AI tools), lobbying for regulation collaboratively, and sharing experiences and knowledge. Some interviewees also suggested the option of having common data management (including a common data format, platforms, statistics, and customer data) with a range of media organisations. For example, using common web platforms, paywalls and logins could help in collecting data, which could be a powerful asset, because one reason platforms are so powerful is their ability to collect so much data all over the digital ecosystem.

The future is also affected by *technological development* and *changes in the public's behaviour*. In general, the interviewees thought that media companies needed the ability to anticipate how technological developments will change the world and media consumption. Deeper understanding of changes and long-term strategies is required or otherwise the media will remain in a reactive position. One interviewee from news media also requested a comprehensive discussion on possible threats that technological developments can cause. For example, development of artificial intelligence and the spread of deep fake videos and photos could lead to a reduced level of trust within society in general, and news media organisations must consider their role in such a situation. The interviewees also expect that new social media services will appear, and the use of social media might become more fragmented and more private, meaning that direct messaging will become more important, and people will spend their time in more closed groups. Some interviewees also predicted a possible backlash on the big platform companies as the public grows more aware of platform companies' violations of privacy and customer data handling. It is possible that this could lead to growing demands and public pressure on the platform companies, even if most users would not be ready to abandon social media services.

OVERVIEW AND THREE SCENARIOS FOR 2030

Our view is that transformation of the whole media ecosystem towards more independence from tech companies is a complex process and dependent on factors and components that might be beyond anybody's control, such as developments at the global level and the impact of regulation in the EU and US. What actors in the media business can do is make sure that there is cooperation at the national or regional levels. Making predictions about the path ahead for news media and the advertising industry is extremely difficult as there is a lot of political uncertainty on the global scale involved. For instance, it seemed like China's tech giants were going to rise and suddenly Xi Jinping was crushing them (Weinland, 2021).

The final product of the project is an overview and three scenarios for the future, "A road to freedom", in which the word freedom is used in a metaphorical fashion. Our view is that the media companies' road to freedom is dependent on several components, some within their own reach and others beyond attempts to impact the development. The most important components are:

Developments on a global scale

- The technology giants' influence and power will grow, especially as their investments in artificial intelligence increase. AI is seen as the biggest enabler for journalism over the next few years (Newman, 2021).
- Chinese competitors such as Tencent and Baidu will partly marginalise the giants of Silicon Valley
- The US authorities decide to chop up Facebook, potentially also Google

Developments at the EU level

- The EU will tighten its stance, especially regarding rules around competition
- Digital solutions will be developed at the EU level to replace Silicon Valley's services, for example, new search engines and social media platforms (Derkhshan, 2019). However, there is no "action plan" yet for building the infrastructure of a European digital public sphere (Dapp et al., 2021).

Developments at the regional level

- Broader cooperation between Nordic media organisations to get away from the grip of Facebook and Google.

Developments at a national level

- Different media and news actors will take more responsibility of their own future (Lindskow, 2020)
- Advertisers and media corporations will agree that advertising money is only circulated within home countries
- National policymakers will make their own decisions

How authorities act is also an important component. For example, the bureau for competition in France has recently decided that Google must pay media for the content that is included in the searches (Chavern, 2020). In Australia, the government has decided that Facebook and Google need to share their profits from advertisements with news media (Taylor, 2020). In a study of platforms and Finnish public policy Sirkkunen et al. (2021) propose that Finland also should find ways to make the platforms compensate legacy media for the use of journalistic content, such as has been done in Australia and France. Finland should also make sure that platforms pay local taxes. Other policy proposals include a national support system for media and journalism start-ups as well as support for development of communication platforms for non-commercial purposes.

The time perspective and opportunity window for the road to freedom is short. When this report was finished in early 2022, 2030 was only eight years away. Further, if we look back ten years to 2012, it was the time when the use of social media globally exploded and only a few years after a large part of the world's population started to get a significant share of their information through channels such as Facebook, Instagram, YouTube, and Twitter. The TikTok app was launched in 2016 by the Chinese technology company Byte Dance and collected its first billion users in record time.

Technology insiders like the entrepreneur and investor Peter Diamandis predict that in the next decade our societies will experience more progress than in the past 100 years because of development in computation: "Be it classical or quantum computing, as it becomes faster and cheaper lots of technologies that use it also become more capable. For example, communication networks, sensors, robotics, augmented and virtual reality, blockchain, and AI are all exponentially improving" (Corbyn, 2020). The next generation mobile technology 6G, sensors and wearable devices will change user interaction. Glasses, headphones, and other wearables will integrate directly with a user's sense of sight, hearing, and touch. Instead of developing media for a particular screen size, story tellers are going to need to be optimised for individual users' senses. Journalists will need to find new ways to deliver the news, but they must hold tech companies accountable as this technology develops (Future Today Institute, 2021, 142).

There is also cause for concern that in any scenario, small and mid-size media companies will not survive. For instance, in the Nordic countries the biggest players such as Bonnier News, JP/Politikens Hus, Amedia, Schibsted, Sanoma have been able to develop long- term strategies. Smaller media companies have had a harder time fighting for survival and there is a significant risk that diversity in the media ecosystem will be a thing of the past. This also means that public service media will continue to play an important role, probably even more than before. However, news start-ups like Zetland in Denmark and De Correspondent in the Netherlands show that it is not impossible to have a long-term strategy despite a lack of size.

There is also a scarce supply of resources and data science knowledge in small newsrooms to develop or apply editorial AI solutions. Many of them worry that AI could exacerbate the gap between giant media companies and the rest (Newman, 2021). However, we also see that news agencies are reinventing themselves as nodes in the digital media ecosystem and are especially important for smaller media outlets (Piechota, 2021). Unfortunately, in national media policy the increasingly important role of news agencies as drivers of data management and AI initiatives (Lindén, 2021) has not been generally recognised. Interestingly, in a new study on building a European platform for media content, news agencies are in the centre for several reasons such as affordances created by the European Media Data Space (Bajon et al., 2021).

Next, we will outline three scenarios for 2030. These are largely based on our analysis of the data collected in the project.

SCENARIO -1: THINGS GET WORSE

In this scenario, we see a situation where by 2030, things have got worse and legacy media are more dependent on the Silicon Valley technology companies. There are five factors, which if realised, may lead to a worsened scenario. These are *inability to renew business models*, *losing the competition for audiences*, *failures and delay in regulation*, *growing power of the platform companies* and *media companies' passivity.*

Media organisations are expected to lose even more advertising revenue in the coming years as technology companies strengthen their position in the advertising market. The decline in advertising revenue increases the risk that the situation will worsen if legacy media are unable to renew their *business* *models*. The challenge is significant especially for smaller news media outlets that are still very dependent on print revenues. The year 2030 is so close that if aggressive reforms have not already been made, it might be already too late to change the situation.

In the coming years, the emphasis in news media will rely more on reader revenues. However, a business environment in which media companies are heavily dependent on subscriber revenues may lead to an unbalanced competitive situation which is especially challenging for small and medium-sized media companies. It is likely that only a few large and successful media companies and brands will be able to attract enough paying customers or generate enough demand for their media products or services to maintain a sustainable business. This can lead to consolidations and further concentration of media and thereby reduce the diversity of news media. The risk is that small media companies could wither away or become more dependent on the big tech companies when attracting new audiences.

In the constantly accelerating competition for *audiences*, the news media should be able to clarify their own significance and importance for the public. Failing to do this could lead to a lower level of trust in the media. If the news media cannot create a direct and long-term connection with audiences and generate products for which the consumers want to pay for, the competition for audiences is largely lost. If social media remains practically the only way to reach new audiences, especially young ones, creating direct relationships with consumers could become increasingly difficult.

Technology companies' influence on journalistic formats may also increase as the content formats on their services will form consumer expectations in a way that traditional media companies must adhere to if they want to stay relevant. If media companies cannot be inventive in the same manner, platforms force them into a reactive mode, where formats defined by platforms are merely adopted in newsrooms. As platforms become more important as intermediaries, traditional journalism may find itself in crisis. There is also a risk that traditional media will sink into a single content provider of the technology giants, which will use their content as they wish.

International policies and regulation of platform companies are expected to solve many problems, but there are still many uncertainties. It is still not sure whether political decisions and agreement can be found in the US, the EU or nationally to regulate the platform companies. Even if political consensus is found, the biggest challenge concerning the situation in 2030 is the timeline. There is a risk that legislation will come into force too slowly and will not have much impact before 2030. For example, the Digital Markets Act and the Digital Services Act in the EU are expected to come into effect at the earliest in 2024. After that, the question remains, how willing are the regulated platform companies to comply with the obligations imposed on them and how will regulation be tested in courts, something that might take years after legislation is in place. The platform companies have enough resources to go through legal proceedings to defend their market position, which would further slowdown the impact of legislation.

Controlling the platforms is difficult as they have overpowering capabilities to utilise technology and data, and the *technology giants' influence and power will grow* as their investments in artificial intelligence increase. By 2030, their control over the digital ecosystem will tighten, especially if their expansion cannot be controlled by legislation.

It is likely that the platform companies are going to widen their product portfolio and compete with traditional media companies in new areas. The platform companies are also expected to take a more extensive role in the digital value chain by creating bigger and more closed ecosystems, in which the use of 3rd party cookies is banned. Actions like this would make it impossible for other players to gain data from platform-controlled parts of the Internet. In the upcoming years, the control of operating systems such as iOS and Android will become more of a concern. As media consumption is increasingly mobile, media companies become increasingly tied to the mobile operating systems owned by Google and Apple unless new actors evolve. There is a risk that media companies will lose the customer relationships to platforms when getting data from subscribers becomes impossible. Such developments are already taking place, as the example of Apple's App Store and its tight policies show (see the "Kick-off" section in this report).

Lastly, *the passivity of media companies* and inability to develop their own solutions makes the road to freedom difficult. If the current problems of dependence are not identified or taken seriously the media will give decision-making power over their own future to players outside the field. Another risk is that the problems are identified, but instead of taking their own actions, media companies will wait for outside solutions, such as regulation or state support, which cannot solve all the problems. Short-sightedness and the lack of long-term perspective and strategies makes tackling the situation more difficult. Maintaining a crisis discourse in which the platform companies are seen to be so powerful that nothing can be done about them, and a narrative about "the Valley of Death", where operations must be reduced for a certain transition period, can inflict a negative spiral through which the media will stay in a constant reactive mode and thus further weaken its position.

One notable aspect is that resources for taking action vary a lot. Smaller media companies, due to lack of resources, do not have the same ability or opportunities as bigger corporations to take control of first-party data management, innovation, and product development, which are often presented as solutions to what media companies themselves could do. Without cooperation, there is a chance that smaller news media will continue to have to rely on the tools and possibilities to attract audiences provided by the Big Tech, which again can lead to an unbalanced situation, where only big players can find solutions for independence. The question remains, is there real willingness between media organisations to cooperate?

To conclude, in the less optimistic -1 scenario, the biggest uncertainties regarding the future are the success of international regulation, the willingness and capability of media companies to act and create their own solutions, and the tight timeline. Inevitably, 2030 is coming fast and it is possible that no effective positive change can be achieved by then.

SCENARIO +1: THINGS GET BETTER

In this scenario, we see a situation in which by 2030 things have got better and the media are less dependent on the Silicon Valley technology companies. There are five factors, which if realised, may lead to a positive scenario. These factors are the *ability to renew business models, winning the competition for (niche) audiences, success in timely regulation, the growing power of the media companies,* and *media companies' own proactivity in solving the problem of dependence.*

In this scenario, by 2030, Facebook and Google are most likely to still be used as marketing channels, but media companies will not be entirely dependent on them. Instead, the biggest media houses that have adopted a digital strategy will most likely have got even bigger, perhaps by consolidating or absorbing local players into their offerings. Consolidation is seen as a useful way to *renew business models* and as a good solution for media companies, because digitalisation favours big players that can aggregate audiences and know-how. Consolidation also gives media companies better leverage and bargaining position in their aim to gain a more independent position from platforms.

The cooperation between media companies might occur either nationally and internationally or only nationally and be concentrated on technological solutions (such as sharing AI tools), lobbying for regulation together, and sharing experiences and knowledge. Some interviewees in our study also suggested having common data management (including common data formats, platforms, metrics, and customer data) with different media organisations. For example, using common web platforms, paywalls and logins could help in collecting a lot of data. This could be a powerful asset against the platform companies, because one reason they are so powerful is their ability to collect and analyse so much data all over the digital ecosystem. This scenario requires cooperation between media companies and is seen as a strength instead of a necessity.

Future business models will rely even more on *reader revenues*, which can be gained from various combinations of subscription and membership fees. The interviewees in our study agreed that the advertising-based business model will continue to shift more to a model that emphasises reader revenues, as the platform companies will continue to eat up most of the advertising money.

However, the role that platform companies have in reaching audiences will remain significant, and the use of platforms is seen as a positive thing as they offer an efficient way to acquire audiences and get access to people's everyday lives. Appearing on social media platform feeds is important especially for small local newspapers, because audiences might not otherwise end up consuming their content. Compared with the situation today, platforms will have to share much more user data which will help media companies better understand their audiences.

Some of the interviewees also predicted that by 2030 there will be a greater need for critical journalism done by professionals, and that the consumers will be willing to pay more for such journalism; thus the traditional media companies may become stronger. Also, niche media content providers may succeed as they find new routes to the market and new ways to engage with audiences, ranging from audio to video and more.

A lot of expectations are placed on EU-level *policies, and regulation* carried out in the US. Especially regulation taking place in the European Union is expected to solve many concerns, but many interviewees also follow closely what is happening in the US. Some expect that the US Congress will reduce the ownership dominance of the platforms of the Silicon Valley technology companies. This would lead to sharing of business revenues, regulation that creates fairer conditions for competition, and changes in the taxation system that currently favours platform companies.

Regulation might also lead to a possible backlash on the big platform companies as the public grows more aware of platform companies' violations of privacy and customer data handling. This in turn could lead to growing demands and public pressure on the platform companies, at the same time *strengthening media companies*. Media companies and the media industry might also increase their power through technological innovation. A deeper understanding of changes and long-term strategies are required or otherwise the media will remain in a reactive position.

To be able to benefit from their relationship with the platform companies, legacy media companies should take an active role, and be given this role in legislation. This means that problems will be recognised and acted upon instead of waiting for solutions from policy actors and regulators. Instead, media companies should start to innovate and discuss technological developments and strategies. Taking data management into one's own hands, having one's own analytical tools and owning the audience form a way to decrease dependency on the platform companies.

The greatest freedom for media companies stems from having a sustainable business model, whereby media companies are not dependent on state support or third parties for web traffic or financing. This requires media companies to update their strategies and take responsibility to reinvent themselves continuously and address the issues at hand. Media companies should strive to create a direct relationship with their audience and focus on innovating and developing products and services that people are prepared to pay for.

To conclude, the biggest opportunities regarding the future in the +1 scenario are the success of consolidations, the ability to maintain and expand reader revenue, timely regulation both in the EU and US, and the ability to emphasise the value of journalism.

SCENARIO 0: NOTHING HAPPENS

In this scenario, we see a situation in which by 2030, things have not changed much since the early 2020s. Facebook and Google will still be used as marketing channels with the same degree of dependency as in 2022 and the platforms will continue to have a role in reaching audiences. The ongoing tax debate regarding the technology companies is not likely to lead to any changes and will remain as just a debate. In this scenario 0, problems will not be recognised or dealt with. We do not discuss this scenario further as there are so many factors moving things forward that it is difficult to see how no change would take place, for the better or worse. *The status quo is simply not an option.*

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