

The ABC is not siphoning audiences from Fairfax

Written by The Conversation



Claims that ABC News siphons readers away from Fairfax publications are unfounded. AAP Image/Joel Carrett

Fairfax CEO Greg Hywood has been busy. His company's announcement on 3 May 2017 that [Fairfax would sack 125 of its newsroom staff](#) led to Sydney Morning Herald and The Age journalists going on strike, at the [worst possible time in the Australian political calendar](#)

Meanwhile, media reports highlighted [Hywood's annual pay of over A\\$7 million](#) – which at [a median reported salary for journalists of just over A\\$51,000](#) would comfortably pay for the most of the staff laid off in Hywood's announcement.

This is not to say that Hywood does not deserve a CEO-level salary, of course. But in light of the criticism of the job losses at Fairfax, [his defence of executive pay levels was tin-eared](#), to say the least:

We pride ourselves on providing above-market salaries... We need good people to work at this business. You don't fix the issues confronting the media business by doing the same thing again and again, and expecting a different result.

Yet here we are again, with more journalists sacked, and no clear indication of how this is going to make Fairfax's news outlets more attractive.

Faced with such questioning from the Senate inquiry into public interest journalism, Hywood resorted to a familiar trope for commercial media executives – [blame market distortion by the public broadcaster](#) :

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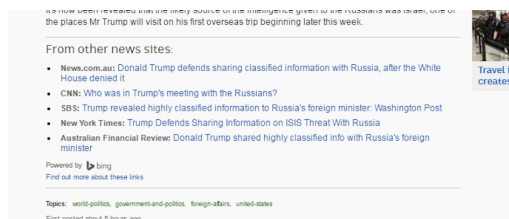
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The ABC is creating additional pressure on commercial media by aggressively competing for the same audience that commercial media rely on by providing online content for free, undermining our ability to create a sustainable model.

However, this seems to be fundamentally ignorant of the fact that for years now, the ABC has done what few commercial news outlets have been prepared to do: promote the news stories published by its competitors.

Promoting the work of others

The ABC has long partnered with Microsoft's Bing search engine to include a block of links to related content from elsewhere on the web alongside its own stories. This recognises audiences' interest in seeing multiple independent angles on the same story. Sadly, commercial outlets like the Sydney Morning Herald (SMH) still lack this basic feature and link only to (often virtually identical) stories on their sister sites, such as The Age.



Related links in a recent ABC News article - including to Fairfax property *Australian Financial Review*. Screenshot by Axel Bruns

Rather than siphoning eyeballs from its commercial competitors, could ABC News be a driver of traffic to them, then? Traffic data from [Hitwise](#), which tracks Australian users' web browsing patterns, can provide an answer to this question.

First, let us put these sites in perspective. In order to compare like with like, we'll use the numbers for ABC News here, rather than visits to the main ABC site with its multitude of non-news content.

Hitwise data report that the SMH consistently attracts a much larger volume of visits than ABC News. In March 2017, for instance, its 38.2 million total visits constitute about a quarter more than ABC News' 29.9 million. The Age receives around 27.5 million total visits over the same period. Neither can compete with undisputed market leader news.com.au, with 72.8 million total visits that month.

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Put together, visits to these two Fairfax properties are already more than twice as large as those to ABC News, then – if the ABC is undermining Fairfax’s market position, it’s not making a very good job of it.

Traffic patterns

But this is not a zero-sum game, of course. Visitors to ABC News, aided by its helpful links to external content, may well find themselves heading to the Fairfax outlets for more information. Even in the absence of outbound links from Fairfax, the same might be true in reverse, too.

Here, the upstream websites recorded by Hitwise – that is, the sites visited just before coming to the SMH or ABC News – tell an interesting story. The SMH receives the vast plurality of its inbound reader traffic from Google sites: some 38.9% of its traffic enter via Google Australia, Google (international), Google News Australia, or Gmail. Another 7.8% arrive via Facebook or Twitter.

Similar patterns hold for other sites: in March, The Age receives 28.2% of its traffic from Google sites, and 9.2% from Facebook or Twitter. For ABC News, those percentages are 26.9% and 7.9%, respectively. news.com.au gets 32.2% of its traffic from Google sites, and 7.9% from social media.

ABC News’ outbound links are necessarily a much smaller factor than the connections provided by these internet giants, but should not be ignored. In March, 2.1% of the SMH’s traffic began with readers coming in from ABC sites. For The Age, the percentage is even greater: 2.9% of its traffic originated from ABC sites. But the ABC does not play favourites amongst the commercial sites: 2.2% of news.com.au traffic arrived from here.

Such public service is hardly reciprocated, however: only 0.9% of ABC News’ already lower volume of traffic originated from the two Fairfax sites.

Empty corporate rhetoric

There are deeper traffic patterns that the Hitwise data cannot reveal. What we see here are only the sites visited immediately before – not pages opened independently in another user session, or arrived at through a more circuitous route. And yes, as quality news publications ABC News

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and the two Fairfax sites do operate in the same market segment, of course.

But Hywood's, and other media executives', statements continue to assume that online audiences make a conscious binary choice between one outlet and another, and that public service media therefore distort the market. This fails to understand [how serendipitous our news discovery has become](#) in an age of search and social recommendations. It also fails to recognise that serious news followers – the core audience for these sites – will often read multiple stories on the same events, from multiple outlets.

Not least perhaps because they know that understaffed newsrooms now regularly struggle to cover major issues in sufficient detail.

The traffic patterns we have seen here, at any rate, reveal that audiences lost to ABC News should be the least of Greg Hywood's worries. The major Fairfax sites consistently outperform the ABC in terms of reader traffic, and the public broadcaster is even a net source of visits to the SMH and The Age.

Similarly, [when Hywood calls for](#) “a level playing field which allows local media to take the necessary steps to compete with Google and Facebook”, he fails to recognise that these platforms are the single greatest source of traffic to Fairfax's sites.

Fairfax, and other news sites, are not competing with Google and Facebook: for better or worse, they fundamentally rely on them for visibility and visitors. Media businesses that cannot adjust to this fact are doomed to struggle.

Data on Australian Internet users' news browsing patterns are provided courtesy of [Hitwise](#). All Hitwise figures based on data for March 2017.

Disclosure

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