

# **Future of Media: Myth of Digital Transformation**

WHITEPAPER

# Future of Media: Myth of Digital Transformation

A series examining technology's impact on the truth and the business of news

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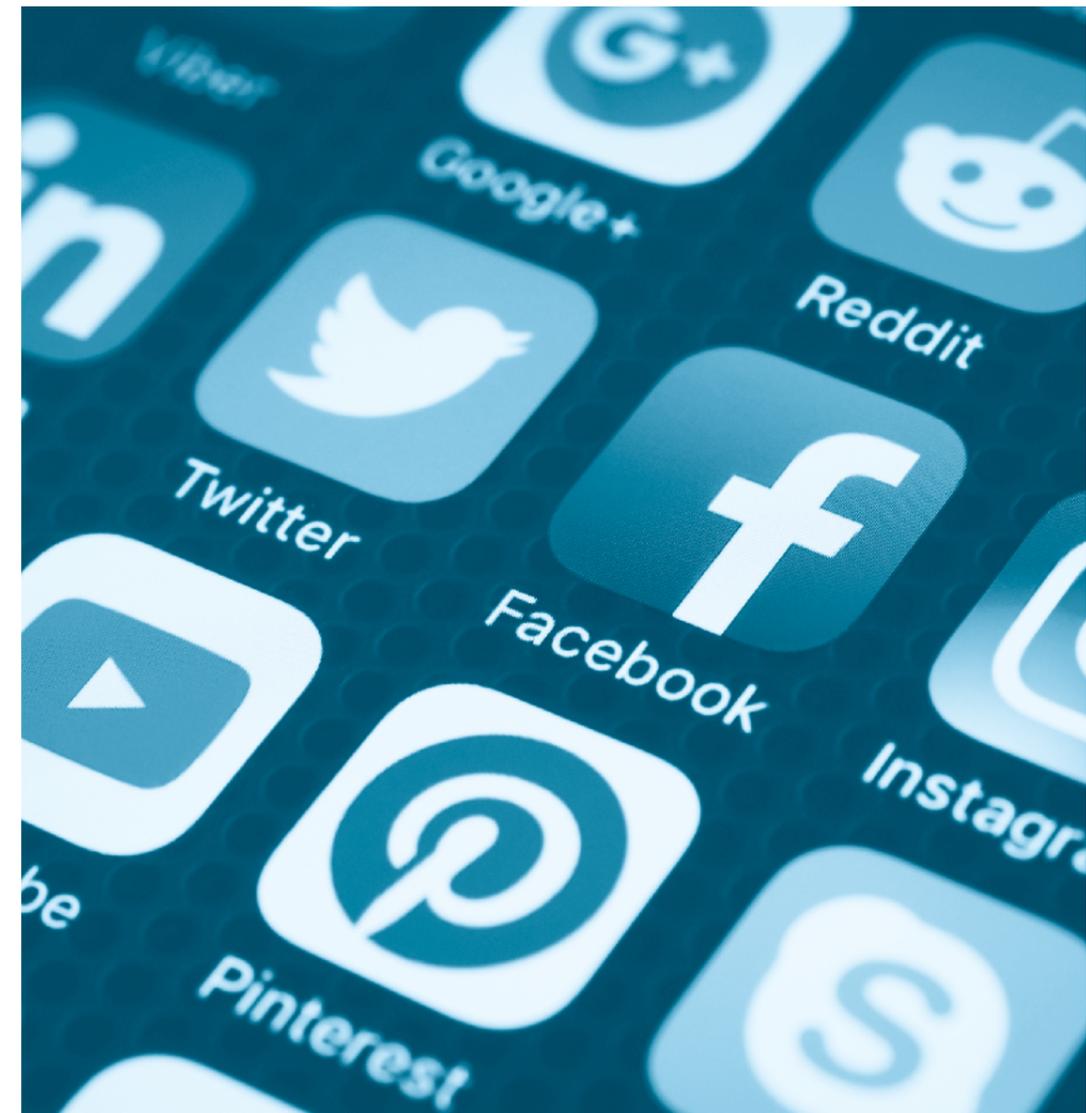
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Every time a user clicks on an ad through Google or Facebook, the tech company makes money on it. Shutterstock

## GLOSSARY

### Advertising (Ad) revenue

The monetary income of an individual or organization from the sale of advertisements.

### Media share or share of ad revenue

The percentage out of the total media spend that a particular channel receives.

### Print media

The industry that is engaged in the printing and dissemination of news through newspapers and magazines.

### Traditional media

Any form of media before the advent of digital media that did not rely on or primarily use the internet, such as TV, radio, print and outdoor.

### Media investment

A media investment or a media buy is the purchase of advertising from a media company such as a television station, newspaper, magazine, blog, website or a social media platform.

### Marketing or purchase funnel

A term used to refer to the different stages in the consumer journey, usually starting from awareness and interest, moving on to consideration and intent, and ending in evaluation and purchase. There are different versions of the funnel that may have fewer or additional stages.

### Eyeballs

Views, or the number of times an advertisement or piece of content is viewed.



**FAISAL J. ABBAS**

**Editor-in-Chief  
Arab News.**

Faisal J. Abbas is editor-in-chief of Arab News, the leading Middle East English-language daily based in Riyadh.

He relaunched Arab News (established 1975) with a more global and digital direction, and expanded its international presence through a large network of correspondents and regional bureaus across the world.

Before joining the newspaper in 2016, Abbas was editor-in-chief of the Dubai-based English-language service of Al Arabiya News Channel.

He is a renowned columnist on Arab-international affairs and appears regularly in international media to comment on regional affairs.

Abbas has previously written for The Huffington Post and worked with both Asharq Al Awsat and Al Hayat pan-Arab dailies, Future Television of Lebanon and the International Resource Journal in London.

He has been the recipient of many media awards, including the Next Century Foundation's Cutting Edge Award (2009) for efforts in bridging the communication gap between the West and the Arab world, and the British Council's UK alumni Social Impact award in Saudi Arabia (2017).

He holds a master's degree from the University of Westminster and a bachelor's degree from Lebanese American University. He is also a graduate of the Executive Education Program of the Harvard Kennedy School, where he studied global leadership and public policy.

Abbas is a member of the editorial board of Al Arabiya News Channel, an associate fellow of the Cambridge Union Society and a member of the British Society of Authors.

In 2017, he published his first Arabic book, "Arabi/Englizi," which describes London through Arab eyes.



**GAVIN ESLER**

**Broadcaster, writer and Chancellor of the University of Kent**

Gavin Esler is an award-winning broadcaster, podcaster, journalist and writer. He is the holder of a Royal Television Society award, a Sony Gold (Radio) award, and two Lovie awards for his podcast series about Vladimir Putin, "The Big Steal."

He is the author of five novels and four nonfiction books.

He is well known for his reporting and presenting work at the BBC, and has been the main presenter on "Dateline London" on BBC News and BBC World, as well as numerous other programs, including "HARDtalk."

He left the BBC in 2018 and is now a freelance journalist and writer.

Formerly, Esler was BBC's chief North America

correspondent for eight years, based in Washington, and frequently reported from the White House, mostly during the Clinton presidency. He has also reported from countries as diverse as China, Peru, Argentina, Cuba, Brazil, Russia, Jordan, Iran and Saudi Arabia, as well as from the Aleutian Islands and across Europe.

On returning to the UK, he joined the presenting team on the BBC's flagship news and current affairs program, "Newsnight."

He is a voting member of BAFTA, chancellor of the University of Kent and a visiting lecturer in various academic institutions, large corporations and public service organizations, including Britain's military.



**ALEXANDRE HAWARI**

**CEO  
Akama Holding**

Alexandre Hawari is CEO of Akama Holding, formerly incorporated in 2008 as Mediaquest Investment Holding. It is one of the region's largest, most successful and most influential privately held Martech holding groups.

The family office creates, acquires, invests in and develops powerful media and tech companies for the benefit of all its stakeholders. It operates at the cutting edge of the industry and has grown rapidly through judicious acquisitions, wise investments and strong management.

Hawari graduated from Harvard Business School, and is also CEO for Mediaquest, the leading content and events company in the Middle East. Akama Holding has

invested in innovative companies including premium global programmatic marketplace MMP WorldWide, and data mining platform MEMob+.

He now applies his sharp financial and management skills to the development and growth of a portfolio of investments in a range of business sectors, after transforming a publishing company into a tech-driven marketing services innovator.

His ambition is to make a significant contribution to the creation of talent, value and return through inspired investments in media, tech and beyond.

Hawari's interests include reading, playing paddle tennis and traveling. He is fluent in English and French, and intermediate in Arabic.



**ELIE KHOURI**

**Chairman  
Omnicom Media Group MENA**

Elie Khouri is chairman and CEO of Omnicom Media Group, the media services division of leading global marketing communications company Omnicom Group in the Middle East. He heads the operations of OMD, PHD, Hearts & Science and Resolution, as well as several specialist entities. Today, the group employs more than 700 people and has a wide footprint across the GCC, the Levant and North Africa.

Khouri has been consistently recognized during his 30-year career in advertising and media, appearing regularly in Arabian Business' "Top 50 most Influential Arabs" and Power 500 lists. Both CEO and Gulf Business magazines have named him media CEO of the year. In 2017, he was named leader of the year by the Great Place to Work Institute and was also recognized as a key influencer in the Power Profile list by LinkedIn.

Driven by Khouri's personal interest in talent development, Omnicom Media Group MENA has been named a top-five employer in the UAE by the Great Place To Work Institute for four years in a row, ranking second in 2017.

Khouri has developed a significant sustainability program, making Omnicom Media Group the first marketing holding group in the region to have its sustainability practices reported in accordance with the Global Reporting Initiative's G4 guidelines.

He has a strong personal interest in coaching and mentoring entrepreneurs and startups. In 2017, he was appointed to the board of the UAE affiliate of Endeavor, the global nonprofit organization that supports high-impact entrepreneurs with a worldwide network of mentors and business leaders.

**Photographer credit: Karen Kalou Bibi**



**SARAH MESSER**

**Managing Director**

**Nielsen Media, Middle East, North Africa and Pakistan**

*Sarah Messer leads the media team for Nielsen Middle East, North Africa and Pakistan. She joined Nielsen in 2012 and has spent the past nine years building the firm's media portfolio within the region, working with a range of local and pan-Arab traditional and digital media owners.*

*Messer and her team are responsible for developing tailored approaches to deliver specific insights on audience and content, as well as providing strategic recommendations for clients to understand this rapidly changing landscape. She also works closely with the region's industry boards and committees to drive measurement initiatives and ensure audiences*

*are counted across platforms and content.*

*Before joining Nielsen, Messer led the commercial research and insight department at ITV, the UK's largest commercial broadcaster. She has won multiple industry awards in recent years, has been instrumental in developing industry audience measurement systems such as UK Online Measurement, and chaired industry committees including the Television Opinion Monitor and AOP Research Committee.*

*Messer holds a bachelor of science degree with honors in business and management studies from the University of Bradford in the UK.*



**JUAN SEÑOR**

**President**

**Innovation Media Consulting Group**

*Juan Señor is president of Innovation Media Consulting Group in London, one of the world's leading news media consultancies.*

*He has worked with and advised hundreds of media companies on every continent, and serves on the advisory boards of several media groups.*

*Señor is also a former visiting fellow at the University of Oxford in the UK.*

*He has been listed as one of "The World's Leading Innovators" in Journalism and Media" by Journalism UK. Señor is a highly sought after commentator on the media industry, speaking at global forums and quoted frequently in leading publications, such as The Economist and The Financial Times.*

*He is co-editor of two annual publications, "Innovation in News Media" and "Innovation in Media," written on behalf of WAN-IFRA and the FIPP,*

*respectively. He has edited 32 books.*

*Señor worked for seven years as a war and conflict reporter for PBS "NewsHour." He then became a presenter for EBN-Wall Street Journal TV and CNBC Europe. He also served as the London correspondent of International Herald Tribune Television, then owned by The New York Times and The Washington Post.*

*His work has been nominated for an Emmy award and his television program, "Media Report," was voted by viewers as Europe's best business program.*

*He continues to work as a live event and television host and presenter. He has hosted the Cannes Lions International Festival of Creativity for 14 years, the Reinvention Festival for a decade and dozens of public speaking engagements every year as a keynote speaker or moderator.*



**TAREK ALIAHMAD**

**Head of Arab News Research & Studies**

**Arab News**

*Tarek Ali Ahmad covered the October 2019 protests in Lebanon and the country's 2018 parliamentary elections, as well as the World Economic Forum's annual meeting in Davos in 2020. He holds an MA*

*in Human Rights Law from SOAS, University of London, and a BA in Media and Communication from the American University of Beirut.*

**Twitter: @Tarek\_AliAhmad**



**ZAIRA LAKHPATWALA**

**Media Editor**

**Arab News**

*Zaira Lakhpatwala covers the media, advertising and marketing industries. With over 10 years of experience in media and advertising, she has worked in both agencies and publishing houses in the Middle*

*East. She is passionate about advertising and technology, and their cumulative impact on culture and business.*

**Twitter: @Zaira**

Digital media surpassed print's share of ad revenue in 2016, with print now forecasted to command only 6 percent of the total media share by 2024. Shutterstock



## INTRODUCTION

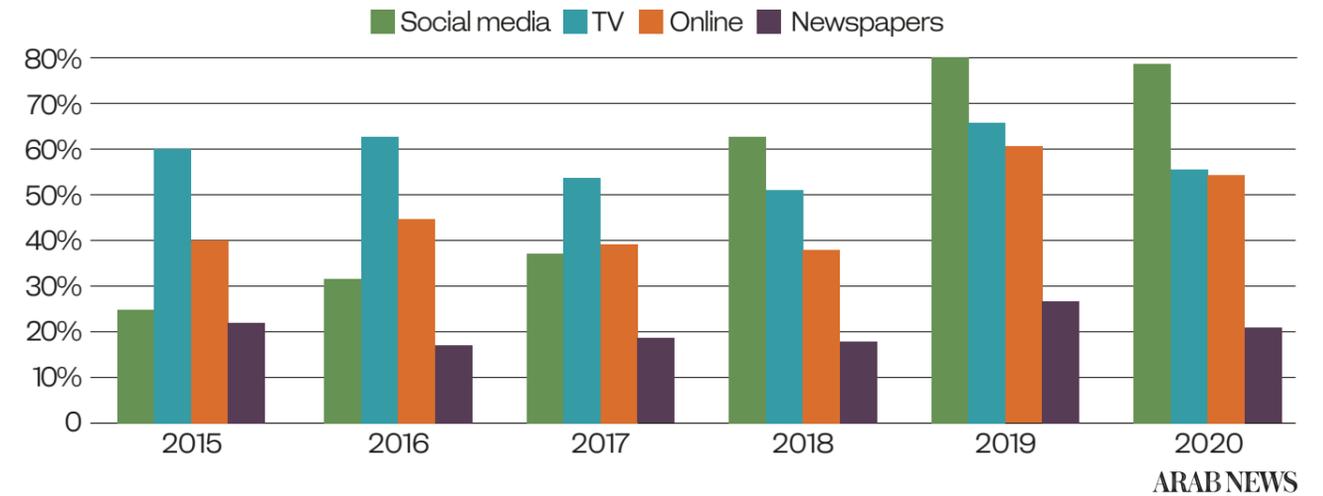
“Digital transformation” has been the buzzword of many meetings, conferences and business lunches, but what does it really mean, and more importantly, what does it mean for the print media industry?

According to global research and advisory firm Gartner, digital transformation can refer to anything from IT modernization (for example, cloud computing), to digital optimization, to the invention of new digital business models.

The invention and rise of these new digital business models is precisely what has led to the doom and collapse of the news media industry.

Rapid turn around of news cycles the consumption of news — real or fake — has grown parallel to the growth of the Internet

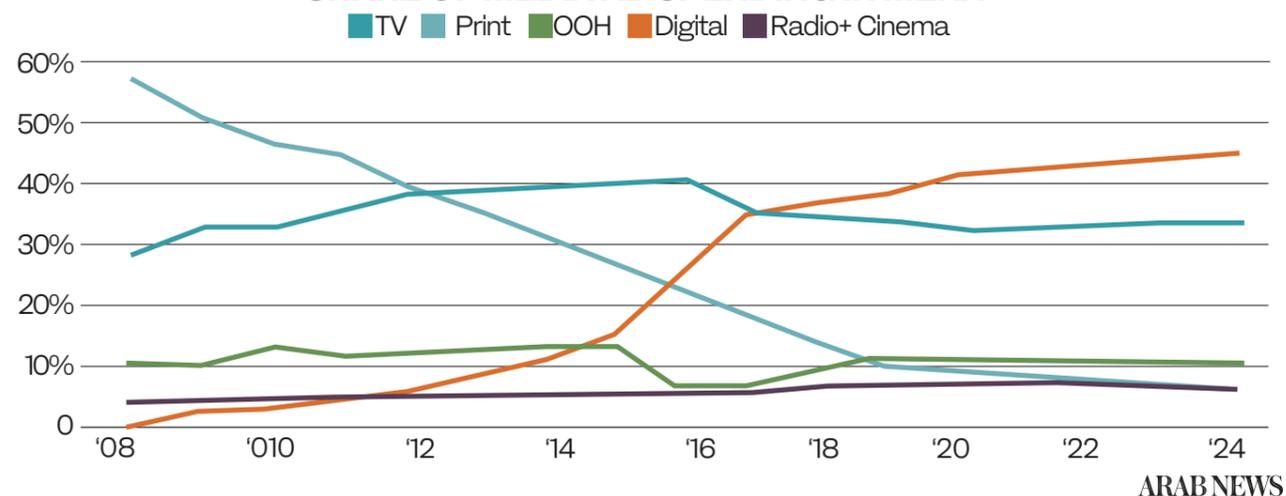
### ARAB YOUTH'S NEWS MEDIA SOURCES



In this two-part whitepaper, Arab News' Research & Studies Unit examines digital transformation in the context of the growth of big tech companies and the consequent impact on the publishing industry and why governments and regulatory bodies need to take notice and action.

The first part of this report analyzes the declining advertising (ad) revenues of print media companies; the unprecedented revenue — and sometimes unchecked power, monopoly and growth of big tech companies — and the resulting collapse of the print media industry debilitating truth, news and business.

## SHARE OF MEDIA AD SPENDING IN MENA



### FROM NEWSPAPER TO MOBILE DEVICES: THE SHIFT IN NEWS CONSUMPTION HABITS

The growth of digital media undoubtedly revolutionized business; however, it has had a profoundly adverse effect on the print media industry. This effect is evident in the declining revenues of print media outlets but, and perhaps more importantly, is also reflected in the shutdown and downsizing of news outlets as they struggle to continue delivering credible and accurate news and analysis.

Not too long ago, it was a common habit for people to start their day with a morning newspaper and end it with the late night news on television. Just like traditional alarm clocks, newspapers have now been replaced with news sites, and televised news has been replaced with social media accounts that livestream 24/7.

This report believes the above change in news consumption habits brings to light the following concerns:

#### 1 The accuracy of news on social media: Who is checking?

In 2020, a massive 79 percent of Arab youth got their news from social media compared with just 25 percent in 2015<sup>1</sup>. With a rapidly increasing percentage of the population getting their news from social media, it is crucial to consider the veracity of information on platforms such as Facebook and Twitter.

This, especially, makes the rise of fake news and hateful and violent content on

these platforms a matter of grave concern. A 2018 study by three Massachusetts Institute of Technology (MIT) scholars found that fake news spreads far more quickly on Twitter than true stories<sup>2</sup>. According to their research, false news stories are 70 percent more likely to be retweeted than true stories<sup>3</sup>. It also takes true stories about six times as long to reach 1,500 people than it does for false stories to reach the same number of people<sup>4</sup>.

#### 2 Rapid turn around of news cycles

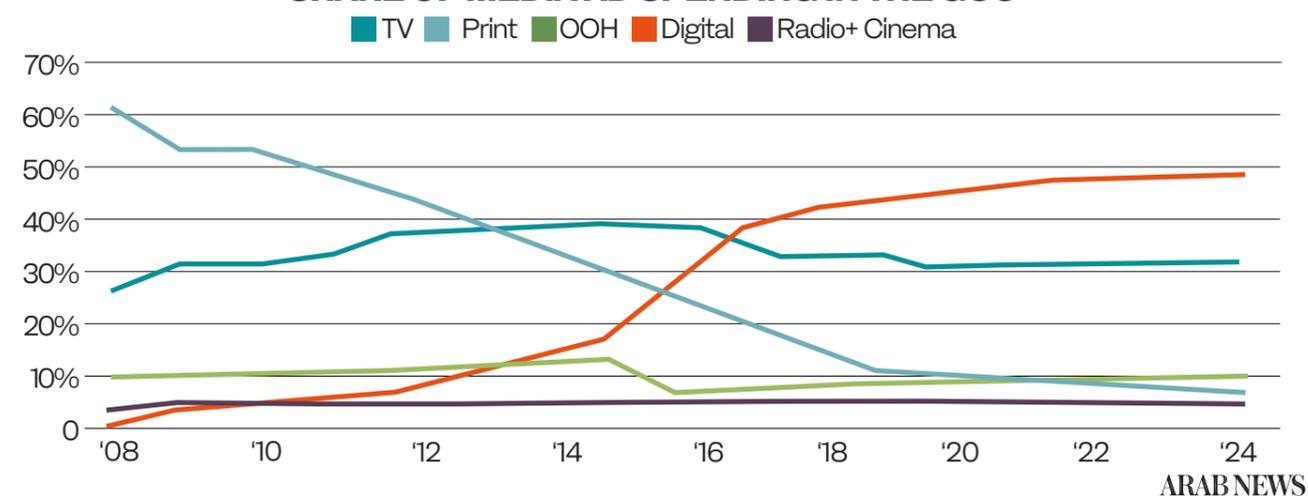
The consumption of news — real or fake — has grown parallel to the growth of the Internet. BBC journalist and author Gavin Esler sums up this phenomenon with an analogy: Back in the day, it was like being a “carnivore,” he said, where you would have one or two big meals a day. “Now, we’re much more like herbivores. We’re constantly grazing; it never stops.”

This has a double-edged impact: First, it makes it simple for fake news to become top stories, albeit for a short period of time. Second, it gives really important stories a much shorter lifespan, and as such, a really important matter could easily be overridden by another story in a much shorter period of time (unless money and effort is invested in artificially monsterring a story, this is done by people or entities with agendas that can use very simple social tools to keep a story alive longer).

#### 3 The impact on the reputation of journalism and journalists

In 2019, a paper carrying The

## SHARE OF MEDIA AD SPENDING IN THE GCC



Washington Post signature banner was circulated in Washington D.C. with a lead story about then President Donald Trump’s resignation. The headline read “UNPRESIDENTED,” adding “Trump Hastily Departs White House, Ending Crisis.”

The fake paper included a pullout section, “Bye-bye: A Guide To Bringing Him Down,” which indicated the source of the publication. It was created by activist and journalist L.A. Kauffman in collaboration with author Onnesha Roychoudhuri and activist duo Yes Men as a piece of satire. “I certainly hope that people get a moment of joy in the period before they realize it’s a dream projecting into the future,” Kauffman told US-based National Public Radio (NPR) in an interview<sup>5</sup>.

In this event, the newspaper was intended to be a fake. However, that is not always the case.

In 2016, a webpage was published that looked just like a New York Times article claiming that Sen. Elizabeth Warren of Massachusetts had endorsed Bernie Sanders for president. The article was widely circulated on social media, gathering more than 50,000 views and 15,000 shares on Facebook within a day<sup>6</sup>. In 2015, a fake Bloomberg article reported that Google was considering buying out Twitter, resulting in a spike in Twitter’s share prices. In 2012, WikiLeaks created a fake Times’ op-ed defending WikiLeaks; the fake looked genuine enough for several users — including journalists — to believe it was actually a Times article and share it.

These instances exemplify how easy it is

to clone a website — right from the website link to its logo and font — and distribute fake news, tarnishing the reputation of credible news media outlets.

The rise of fake news and newspapers has led to massive distrust among the general public, with 59 percent globally saying that journalists and reporters are purposely trying to mislead people by saying things they know are false or gross exaggerations<sup>7</sup>. As trust in legacy media declines, more and more people are turning to alternative media sources such as Breitbart, that often publish fake and biased news.

The rapid news cycles are also making the job of true journalists much harder. Not too long ago, journalists could take the time to develop a story; but in the age of social media and online publications, that has become a luxury. When Bill Clinton was accused of having inappropriate relations with White House intern Monica Lewinsky, Esler spent a year investigating the truth. But when “the principal news source in the world is constantly telling lies,” said Esler, referring to Trump, it is very difficult for anybody, particularly journalists, to catch up.

While some journalists do call out lies or mistruths when they seem, it is becoming increasingly hard to invest the time in every story. But unfortunately, “it has become normalized (and) once you go down this road of not caring about the facts, then you have real problems,” added Esler.

The ease of creating a fake news site combined with the rise of citizen journalism has put the livelihood of journalists — who are already endangering their lives covering



topics such as conflicts and health crises like the coronavirus — at great risk.

The accusation of mainstream media outlets promoting fake news resulted in several threats against journalists. In 2018, Variety reported that a man in the US was accused of making 22 calls to CNN’s Atlanta offices including four recorded threats to its employees. In one call, he said: “Fake news. I’m coming to gun you all down.”

## THE DISRUPTION OF PRINT INDUSTRY

In the Middle East and North Africa (MENA) region, print media’s ad revenues have been declining since 2008. Digital media surpassed print’s share of ad revenue in 2016, with print now forecasted to command only 6 percent of the total media share by 2024<sup>8</sup>.

The biggest spending region within MENA is the Gulf Cooperation Council (GCC), which accounts for at least 75 percent of all advertising spend in the region<sup>9</sup>.

Between 2016 and 2024, digital’s share of ad spending would have increased by 20 percent, while that of print would have dropped by 13 percent<sup>10</sup>.

“The total media investments grew in the first half of the past decade, peaking at some \$5 billion according to Zenith Media,” said

**The ease of creating a fake news site combined with rise of citizen journalism has put the livelihood of journalists — who are already endangering their lives covering topics such as conflicts and health crises like the coronavirus — at great risk.** AFP

Alexandre Hawari, CEO of publishing and events company Mediaquest and Akama Holding.

Simply put, when the economy was stronger, advertisers were spending more on advertising. However, since then, media investments have been steadily decreasing reaching \$2.5 billion in 2020, he added.

“Over the years, there has been a growing focus on performance i.e. generating sales by targeting consumers at the bottom of the funnel,” said Hawari.

Before the advent of digital media, advertisers spent more money on traditional media platforms for top of the funnel activities, such as creating brand awareness and generating interest in their brand and products. Since digital media offers stronger targeting capabilities, advertisers are able to use it for lower funnel activities, such as identifying the purchase intent of their audiences and driving them toward buying.

Hawari added that the shift toward digital platforms that offer strong targeting capabilities is a result of lower investments in broad brand building.

These numbers are a clear reflection of businesses shifting their advertising spend toward digital channels. It is no surprise then that “digital-first” and “digital

transformation” have become buzzwords and even company missions.

By next year, a massive 65 percent of the world’s gross domestic product is set to be digitized, with direct digital transformation (DX) investments totaling \$6.8 trillion between 2020 and 2023, according to the International Data Corporation (IDC)<sup>11</sup>.

But what is the real cost?

## THE REAL COST OF DIGITAL TRANSFORMATION

### The loss of jobs.

In the US alone, more than 36,000 journalists have lost their jobs, been furloughed, or faced a pay cut, reported the Nieman Lab<sup>12</sup>. Not only are news media outlets cutting down on newsroom staff, they have also been hiring fewer employees. The US news industry employed 27,000 fewer reporters, editors, photographers and videographers in 2019 than a decade earlier, according to the same report.

Local newspapers have been hit the hardest, but this time digital publishers are no exception. Digital-first publishers like BuzzFeed, Huffington Post (now HuffPost) and Vice have been struggling and cutting jobs consistently.

Digital transformation has not only shut down newsrooms, but also printing presses — a situation made worse by the pandemic, which resulted in many newspapers halting their print circulation.

Even in 2019, before the pandemic hit, there were 21 percent fewer printing press operators and 32 percent fewer pre-press technicians and workers than in 2016, according to the US Bureau of Labor Statistics. But last year, as print media outlets continued to struggle due to decreased revenue and circulation, even more companies shut down their presses. Most notable among them is News Corp, the parent company of papers such as The Wall Street Journal and New York Post. In September 2020, it announced that it would be shutting down its Bronx Print Plant and shifting the printing of its publications to another facility in the city in a move to cut costs.

Although digital transformation might create more technology-related jobs in the long run, its impact on the wider job market and economy is dire. The pandemic

accelerated automation, e-commerce and remote work, which means that more than 100 million workers in eight countries will need to find a different occupation by 2030, according to a McKinsey report<sup>13</sup>.

Digital media is in reality dominated by social media with the exception of Google.

“Social platforms like Facebook, Snap, Twitter and Tiktok are expected to soon command 50 percent of digital media investments,” said Elie Khouri, chairman and CEO of Omnicom Media Group, MENA.

In the MENA region, Facebook and Google dominate a massive 80 percent of total digital ad spend<sup>14</sup>.

The world’s largest advertiser, Amazon, recorded an annual advertising spend of \$11 billion in 2019<sup>15</sup>. Assuming the trend of digital media commanding half of ad spend — dominated by Facebook and Google — about \$5.5 billion went to digital media channels, of which \$4.4 billion went to Facebook and Google from a single advertiser.

### The concentration of power.

Globally, the share of the four big digital players — YouTube, Google, Facebook and Snap — grew from 41 percent to 62 percent of the total digital ad spend in the last 10 years<sup>16</sup>.

Today, only these four companies represent 35 percent of the total global media ad spend — growing from just 8 percent in 2011<sup>17</sup>.

On the other hand, traditional media’s share of global ad spending has dropped from 81 percent in 2011 to 44 percent in 2021<sup>18</sup>.

The concentration of spends, and hence power, in the hands of a few companies is dangerous for both businesses and economies. The near monopolization of the digital ad industry makes it so powerful that even government officials are unable to regulate it. Additionally, it has resulted in job losses in other sectors that are weakening the economy while tech giants continue to thrive. In the US alone, over 2000 newspapers shut down between 2004 and 2019, with many more struggling to survive<sup>19</sup>.

Hawari said that in the last few years, Google and Facebook have witnessed exponential growth in audience, usage and revenues and together represent about a third of total media investments.

“Digital advertising investments keep



*As audiences shifted to digital platforms like Google, Facebook and Twitter for daily news, these companies started profiting from quality journalism*

on growing and going to the major global players, because that's where audiences are found."

However, he added that if advertisers dig deeper, they would find alternative approaches that support local economies and are both "appealing and effective."

## BALANCING ACT: THE RELATIONSHIP BETWEEN BIG TECH AND PUBLISHERS

This report finds that it is worth noting that the increasing ad revenues of the four big digital players are inconsistent with the growth of their subscribers. Their ad revenue is increasing at a far more rapid pace than users signing up to their service, which means that they are constantly finding new ways to monetize their service — often at the expense of other media channels.

In the last 10 years, Facebook's growth in ad revenue is 4.2 times more than the growth in users, Snapchat's is 5.4 times more and YouTube's is 4.1 times more<sup>20</sup>.

"In 2019, Facebook's revenues were 10 times what they were in 2013 — a third of it being profit at the expense of a large section of the media ecosystem in many countries," said Hawari.

On the other hand, the decline in ad revenues of traditional media channels is far more than the decline in their subscribers.

Print media's ad revenues in the GCC dropped by a whopping 91 percent between 2008 and 2019 even though the average readership drop was 16 percent in Saudi Arabia and 27 percent in the UAE<sup>21</sup>.

As audiences shifted to digital platforms like Google, Facebook and Twitter for daily news, these companies started profiting from quality journalism.

In fact, the second biggest source of traffic for Facebook and Google in every single country is news, said Juan Senior, president of INNOVATION Media Consulting Group.

It seems only logical for big tech companies to not only invest in journalism, but also remunerate publishers fairly — something that regulators around the world are trying to enforce.

"To me, it is only fair that taxes are paid where income is generated, with the receipts being injected back into the local economy," added Hawari.

"Whether the governments decide to

**False news stories are 70 percent more likely to be retweeted than true stories**

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Future Investment Initiative Institute

support their media sector with this revenue is clearly a political decision. At the very least, it should be about promoting development rather than supporting lame ducks."

The idea of not paying publishers back in some form is "fundamentally meretricious and a flawed argument," said Esler. Not compensating journalists and publishers is like taking milk from farmers and not paying them because it is driving more people to buy milk from them, he said. "Why should there not be some reasonable recompense from these massive organizations for something they make a profit out of?"

Sarah Messer, managing director at Nielsen Media MENAP, took a few steps back to 10 years ago when social media platforms were growing rapidly and digital publishers started taking advantage of it. She said that traditional publishers were quite slow "to understand how to mix their digital offerings with their traditional offerings."

They were uncomfortable in the digital space, she said, leaving the gate open for digital publishers and big tech companies to come along.

However, Faisal Abbas, editor-in-chief, Arab News, said: "Almost every newspaper publishes its articles online and has a social media presence."

Even 10 years ago, publishers did jump on to these platforms and maximize their presence.

The problem, Abbas added, is that the industry is not fair to credible publishers.

The algorithmic approach of platforms such as Facebook is designed to spread and promote content that gets more clicks, and this content tends to be scandalous or controversial and mostly untrue.

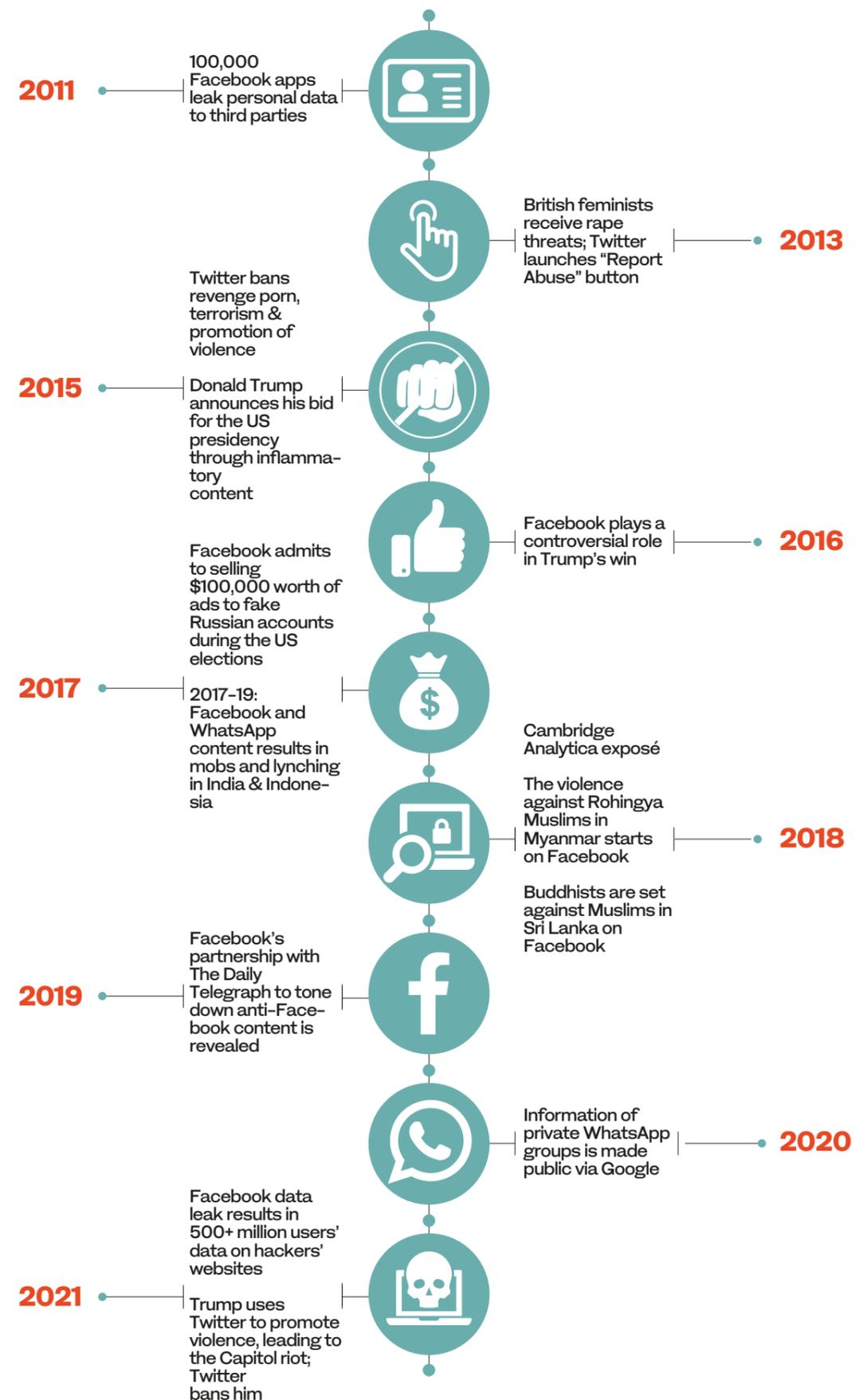
Despite publishers digitizing their content offering, the relationship between big tech companies and news media has always been "dysfunctional," said Senior.

"They have always had the upper hand," he said.

The relationship is based on the premise that if you build a huge audience and get a lot of traffic, somehow you will generate a lot of ad revenue, but that is only true for the big tech companies, not for publishers, added Senior.

Every time a user clicks on an ad through Google or Facebook, the tech company

## BIG TECH CONTROVERSIES IN THE PAST DECADE



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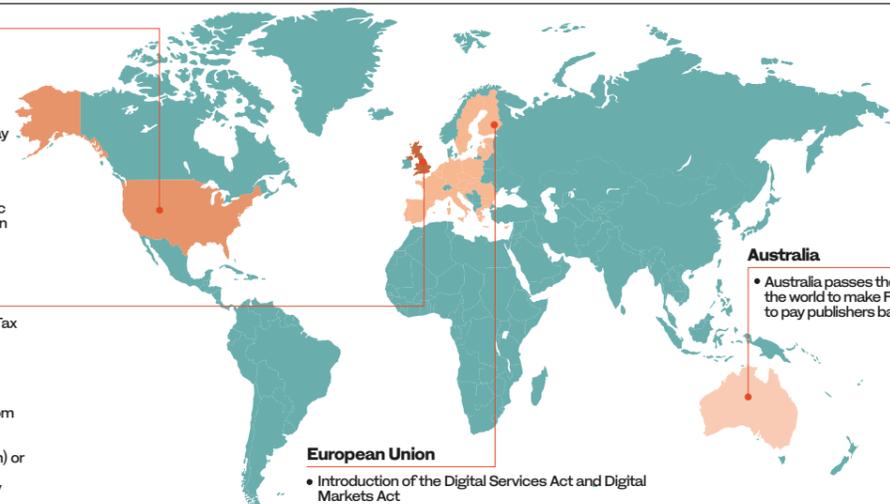
## HOW REGULATORS ARE TRYING TO KEEP BIG TECH IN CHECK

### United States

- Antitrust lawsuit against Amazon, Facebook, Google and Apple to abolish anti-competitive practices
- Opens up talks of taxation with President Joe Biden wants the world's largest 100 companies to pay taxes in countries where they offer their services
- Senate calls Google, Facebook and Twitter's CEOs to testify on the topic of disinformation and misinformation online

### United Kingdom

- Introduction of the Digital Services Tax (DST)
- DST to levy a 2 percent tax on the "revenues of search engines, social media services and online marketplaces which derive value from UK users"
- Fines of up to £18 million (\$24 million) or 10 percent of their annual global turnover (whichever is higher) if they don't take down illegal content promptly
- Establishment of a Digital Markets Unit (DMU) to handle anti-competitive behavior and protect consumers and businesses from unfair practices



### European Union

- Introduction of the Digital Services Act and Digital Markets Act
- The former targets illegal and harmful content by asking platforms to rapidly take it down
- The latter is aimed at anti-competitive and monopolizing behavior

### Australia

- Australia passes the first law of its kind in the world to make Facebook and Google to pay publishers back

ARAB NEWS

makes money on it. However, a publisher does not necessarily make money every time a user clicks on an ad on a website. In fact, publishers receive only half of the total advertising spend, with the rest going to different digital channels along the way, according to a 2020 report by the Incorporated Society of British Advertisers (ISBA) and PwC<sup>22</sup>.

### The two critical conditions of the report were:

**1** Standardisation is urgently required across a range of contractual and technology areas, to facilitate data sharing and drive transparency.

**2** All industry participants should collaborate to further investigate the unattributable costs and agree industry-wide actions to reduce them.

In order to publish a credible article, a news piece has to go through a process from an on-ground reporter to a copy editor to a publishing team, and so on. "In essence, there is a significant amount of money involved to ensure the credibility of what we publish online," said Abbas. On the other hand, it takes minimal investment for someone to buy a domain name and publish "fake stories with sensational headlines that will get clicks," he added.

"People have embraced them (digital

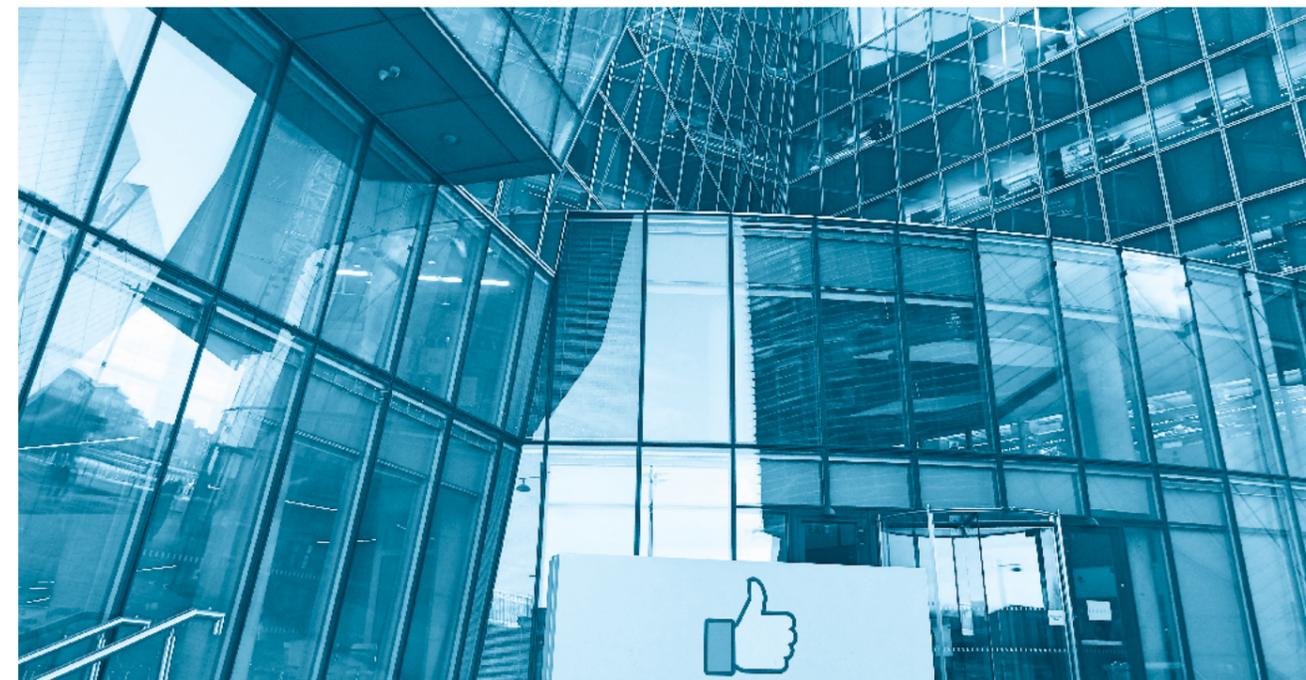
platforms) wholeheartedly and brands follow audiences," said Khouri, explaining why big tech platforms have the edge — and the revenues.

"Today, they are on digital platforms, which have targeting, reach, pricing and accountability benefits a lot of other media do not have. Hence ad revenues are dwindling in legacy media and their digital income is not big enough yet to compensate for the shortfall," he added.

The value of any media channel throughout history has been about eyeballs i.e. the number of times an ad or content is being viewed, said Messer. Overtime, advertisers have also started seeing the "profile" of eyeballs. If these eyeballs are not bots and actual people who match the target audience of an advertiser, they are considered premium. "That means that you can come in get a certain amount of revenue or charge a certain premium price (for eyeballs)," she added.

The ubiquity of social media changed the eyeballs game from tens of thousands to hundreds of millions, which started to shift the revenue and ad spending patterns.

"The local TV or radio channels or local newspapers don't have the same reach, and they cannot get the same reach," said Messer. "So, it becomes a volume and eyeball game," she added, explaining that the targeting and reach big tech platforms can provide is unmatched.



Why, then, should brands have direct relationships with publishers when they can get more for less on a big tech platform?

"I'm not saying they shouldn't. But, we need to level the playing field so the same tools are available for publishing houses," said Abbas. "The problem with the model here is that Google, Facebook and the big tech companies reward people who get more clicks."

### IMPACT ON TRUTH: WHY IT IS TIME TO TAKE ACTION

"This technology that you have invented has been amazing. But now, it's a crime scene," said British investigative journalist Carole Cadwalladr in her TED talk "Facebook's role in Brexit — and the threat to democracy." She was directly addressing Facebook co-founder and CEO Mark Zuckerberg and the "gods of Silicon Valley."

Cadwalladr was referring to the Cambridge Analytica scandal, where the company harvested the data of Facebook users to influence the United Kingdom's EU referendum. Pro-leave campaign groups also ran ads on Facebook that were simply untrue. But the ads were not subject to any fact checking and there was no record of their existence after the campaign.

This is just one of several instances where Facebook has not only allowed misinformation on the platform, but also propagated it, resulting in real-life

consequences.

Facebook was equally responsible for Donald Trump's victory in 2016. The Facebook and Cambridge Analytica team worked with the Trump campaign on a daily basis. Brad Parscale, who led Trump's digital campaign, admitted that 80 percent of the campaign budget was spent on Facebook. In fact, Parscale said in a WIRED interview: "Facebook and Twitter were the reason we won this thing. Twitter for Mr. Trump. And Facebook for fundraising"<sup>23</sup>.

In 2018, the UN said that Facebook played a major role in hate and violence against the Rohingya Muslims in Myanmar. A report by independent nonprofit Business for Social Responsibility (BSR) found that the platform was not doing enough to help "prevent our platform from being used to foment division and incite offline violence," Facebook admitted in a blog post<sup>24</sup>. For many in Myanmar, Facebook is the Internet. Myanmar military personnel created Facebook accounts posing as everyday citizens to disseminate hate speech. According to an investigative report by The New York Times, members of the Myanmar military were the prime operatives behind a systematic campaign on Facebook that stretched back half a decade and targeted the country's mostly Muslim Rohingya minority group<sup>25</sup>.

Despite its official stance on reeling in fake news, Facebook's algorithms are actually

In the last 10 years, Facebook's growth in ad revenue is 4.2 times more than the growth in users. Shutterstock





Twitter banned Donald Trump following the Capitol Hill riots for his tweets that were alleged to have incited violence from a mob of far-right protesters. Getty Images

designed to propagate it.

Twitter is not exempt from such controversy either. In early January, Twitter banned Donald Trump following the Capitol Hill riots for his tweets that were alleged to have incited violence from a mob of far-right protesters. Yet, other world leaders continue to tweet and incite hatred on the platform.

Iran's Supreme Leader Ayatollah Ali Khamenei's many accounts in multiple languages still exist on the platform, and include tweets inciting hate, violence and disinformation. When US Senate Commerce Chair Roger Wicker asked Twitter chief Jack Dorsey in a hearing last year about tweets from Khamenei that "glorified violence," Dorsey defended the decision to keep them unlabeled on the platform. He said: "We did not find those to violate our terms of service because we considered them 'saber-rattling,' which is part of the speech of world leaders in concert with other countries."

Other accounts in the Arab world, such as those of exiled Egyptian cleric Yusuf Al-Qaradawi and terrorist-designated Qais Al-Khazali, still remain active.

A 2019 study by New York University found that cities with a higher incidence of certain kinds of racist tweets reported more actual hate crimes related to race, ethnicity and national origin<sup>26</sup>. "We found

that more targeted, discriminatory tweets posted in a city related to a higher number of hate crimes," said Rumi Chunara, assistant professor of computer science and engineering at the NYU Tandon School of Engineering and biostatistics at the NYU College of Global Public Health, who led the research<sup>27</sup>.

## CONCLUSION

As evidenced by these instances, the exponential growth and power of big tech companies calls into question the entire nature of freedom, truth and fairness in today's world.

Today, publishers are not competing with each other. "We're not comparing, or competing, apples to apples anymore," said Abbas. Instead, news media is competing with the likes of Facebook and Twitter for eyeballs, he added.

Despite big tech's efforts and investment in journalism, news media outlets are still downsizing or shutting down. "And in all of this, the biggest loser is the truth," said Abbas. "We have to level the playing field. There needs to be a way to be able to reward publications or media outlets that are producing this credible information, as opposed to punishing them, which is what's currently happening."

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