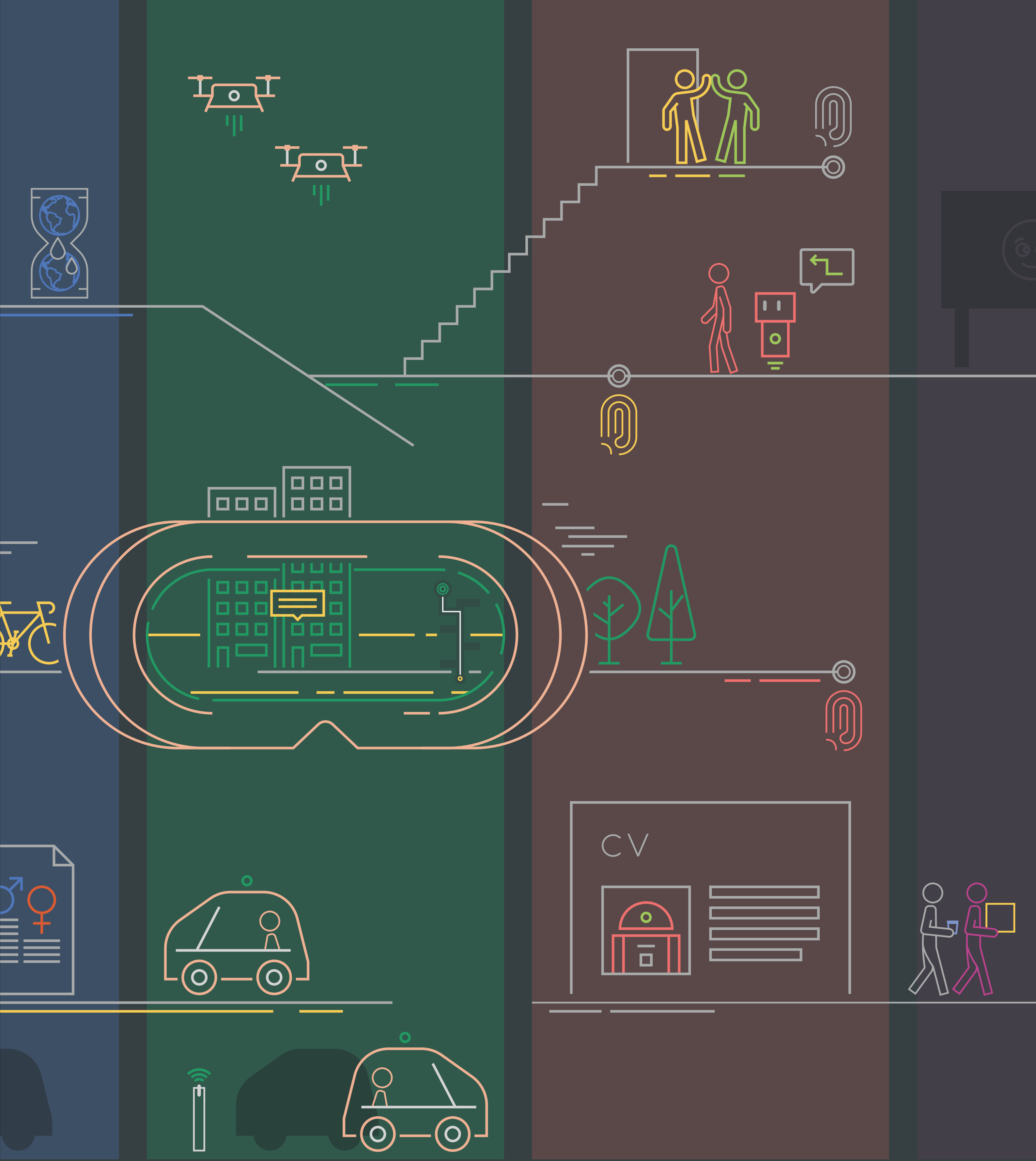


The future of responsible media

RESPONSIBLE MEDIA FORUM

PARTNERING FOR A SUSTAINABLE SECTOR

BOOM!

While all business sectors are subject to change, media finds itself in an era of explosive transformation; arguably, the sector has experienced more change since the birth of the internet 25 years ago than in the preceding 500.

There have been winners and losers. There will be winners and losers.

This report acknowledges the upheaval in what it means to be – and secure revenue as – a media company, but that is not its subject. Our concern is with understanding the future direction of *corporate responsibility and sustainability* within the sector. By this, we mean the prioritisation and management of social and environmental impacts, be they positive or negative. What are the topics that will separate the 'good' media companies from the 'bad'? What will a legitimate corporate responsibility (CR) strategy look like in the eyes of stakeholders? How are CR strategies likely to support commercial strategies?

So we are seeking to focus on one specific change against a future back-drop of dizzying transition, much of which has yet to be imagined.

To do so, we are working in three steps:

1

Understand the past and present of media CR

Where have we come from and where are we now?

Explore the technological and social drivers changing the media landscape

2

What will media look like in 10 years from now?

3

Imagine the future of media CR

What will the CR challenges of tomorrow look like?

When writing a report like this, no amount of caveats and reservations will do; it will always be incomplete and speculative. Where possible, we have tried to illustrate the direction of travel visually, using data and evidence without necessarily adding too much commentary by way of explanation. The upside of that is that we can say a lot in a few pages; the downside is clearly that the onus will be on readers to interpret how exactly the changes are going to play out within their sub-segment of the industry.

This report was written by
Christian Toennesen, Senior Partner, Carnstone Partners LLP
@DrToennesen

With input from
Simon Hodgson, Senior Partner, Carnstone Partners LLP @hodgson_simon
William Pickett, Junior Partner, Carnstone Partners LLP @will_pickett

Produced by Responsible Media Forum and Carnstone Partners LLP
Designed by Iain Hector
Design sponsored by Dentsu Aegis Network

RESPONSIBLE MEDIA FORUM
PARTNERING FOR A SUSTAINABLE SECTOR

Established formally in 2003, the Responsible Media Forum is a partnership between 25 leading media companies to identify and take action on the social and environmental challenges facing the sector. Starting as a UK initiative, participants now come from all over the world covering the full industry spectrum, from advertising to scientific publishing. We work on the principle that CR in a media company has many features that set it apart from other sectors. The Responsible Media Forum is a multi-client project run and chaired by Carnstone Partners LLP.
www.responsiblemediaforum.org

carnstone partners llp

Carnstone is a specialised management consultancy working globally at the intersection of sustainability and business strategy. Rooted in a sound technical and commercial understanding, we provide advice and support to large companies, international organisations and NGOs from offices in London and Shanghai. Carnstone works with around a fifth of the FTSE 100. We have been directly involved in corporate responsibility work with 10 media companies, advising on strategy development, community engagement, environmental management and reporting.
www.carnstone.com

Contents

Acknowledgements 6

Executive Summary 8

1 12

The past and present of media CR

2 26

The social and technological drivers changing the media landscape

3
50
The future of responsible media

4
68
What does it all mean?

Endnotes
74

Acknowledgements

We are very grateful to all participating companies in the Responsible Media Forum who contributed via interviews, discussion and correspondence. Thank you in particular to:

Ann Axelsson Senior Project Manager Strategic Communication, Schibsted
Fiona Ball Head of Responsible Business, Sky
Charlotte Brierley Engagement Manager, Sky
Katie Buchanan Head of Sustainability, Virgin Media
Susana Gato García Corporate Responsibility Manager, Atresmedia
Rauno Heinonen Senior Vice President, Corporate Communications and Investor Relations, Alma Media
Peter Hughes Director, Sustainability, Pearson
Frank Krikhaar Global CSR Director, Dentsu Aegis Network
Mari Vonen Compliance Officer, Schibsted
Ben Wielgus Head of Sustainability, Informa

In writing this report, we also engaged directly with the participants at the Mirrors or Movers IV conference, hosted by Guardian News and Media in June 2016. Thank you.

In many ways this report represents the collective learning of the Responsible Media Forum since its inauguration in 2003. Through our meetings, conferences and research we have benefitted from the insights of some of the world's foremost thinkers on all aspects of the role of business in society. Thanks must go to all the people who have challenged and inspired our thinking, including:

Jonathan Alexander Founder, The New Citizenship Project
Craig Bennett CEO, Friends of the Earth
Jo Confino Executive Editor, Impact & Innovation, Huffington Post
Dave Coplin Chief Envisioning Officer, Microsoft
James Featherby Chair, Church of England Ethical Investment Advisory Group
Emma Fryer Associate Director, Climate Change Programmes, techUK
Cathrine Gyldensted Director of Constructive Journalism, Windesheim University
Ellen Helsper Associate Professor, London School of Economics
Gus Hosein Executive Director, Privacy International
David Johnston CEO, Social Mobility Foundation
Thomas Kolster Author and Founder, Goodvertising
Susan Morgan then Executive Director, Global Network Initiative
Matti Posio Editor-in-Chief, Lännen Media
Kate Robertson then Global President, Havas Worldwide
Renate Samson Chief Executive, Big Brother Watch
Nigel Shadbolt Chairman and Co-Founder, Open Data Institute
Colin Strong Global Head of Behavioural Science, Ipsos
Rory Sullivan Independent Responsible Investment Adviser and Senior Research Fellow, Leeds University
Ed Vaizey then Shadow Minister for the Arts

...and many more.

Needless to say, with insights and feedback provided by such a knowledgeable group of people, any errors or shortcomings in the analysis are entirely the fault of the authors. Carnstone takes full responsibility for any errors in the report's content and conclusions.

Executive Summary

Based on insights generated from desk research, interviews, conference exercises and a decade of expert presentations to the Responsible Media Forum, this report attempts to identify the biggest corporate responsibility challenges facing media companies over the next 10 years. We believe that companies' responses to these challenges will separate 'good' companies from the 'bad'. Our aim is to provoke a wider discussion on the future responsibilities of media companies, hopefully giving those working in the sector a heads up on what is to come, and the inspiration and confidence to prioritise differently.

The media sector is incredibly diverse – broadcasters have little in common with exhibition organisers, for example. Consequently, the future challenges identified do not apply evenly across the sector, and the means by which 'solutions' can be reached vary accordingly.

_ In section 1 we take stock of how media companies have managed their social and environmental responsibilities since the early 2000s. We note that the sector has come a long way. Companies have more ambitious CR programmes in place, dedicate more financial and human resource to manage their responsibilities and generally have a better understanding of their unique impacts on society. On the other hand, the sector is still in the process of finding its feet, grappling with measuring, let alone managing, its content and other core impacts.

_ In section 2 we identify eight social and technological forces that together will transform the media landscape(s) of the future. The focus in this section is not on CR but rather the more fundamental changes that will affect business models and the very notion of what it means to be (and succeed as) a media company. The forces all share a common underlying theme, and that is media's shift to digital. The eight forces are:

FORCE 1 – INNOVATE OR PERISH The rise of the 'Frightful Five'[1] – Amazon, Apple, Facebook, Google and Microsoft – whose ambition and expansion have challenged existing business models, has created an arena where the ability to innovate has truly become a survival trait.

FORCE 2 – MOBILE WILL (CONTINUE TO) EAT THE WORLD The rise of audiences accessing content through their phones or mobile devices is set to continue. By 2020, more than five in six of the World's adults will own a smartphone.

FORCE 3 – THE ON-DEMAND ECONOMY: ACCESS WILL OVERTAKE OWNING Consumers are spending less to buy and own media content – such as digital downloads – while spending more to gain access, predominantly through digital streaming services. This will require a fundamental rethink of how media content is packaged, priced, marketed and sold.

FORCE 4 – THE BOUNDARY BETWEEN TECH AND MEDIA (AND EVERYTHING ELSE) WILL DISAPPEAR Media companies will no longer just be competing with media companies; new entrants may spring up from a whole host of industries.

FORCE 5 – PARTNERSHIPS AND ALLIANCES WILL DOMINATE HOW BUSINESS IS DONE In a data-driven world where scale and the pace of innovation are key, media companies will need to strike up collaborations, even with competitors.

FORCE 6 – THE PERSONALISATION OF EVERYTHING The combination of cheaper, more effective processing power, advances in machine learning and the proliferation of internet-enabled devices is taking media companies into new territory. The rise of bots spells the dawn of an era of personalisation and intuitive human-machine communication.

FORCE 7 – REALITY CHECK: FORGET EVERYTHING YOU KNOW ABOUT INTERACTING WITH MEDIA Augmented Reality (AR) and Virtual Reality (VR) will open up entirely new ways of exploring media content, and they are likely to spawn whole new industries around hardware, marketing, content creation and distribution.

FORCE 8 – ADVERTISING IN EVERYTHING: THE *SEGMENT OF ONE* COMING OF AGE Advertising will get ever more up close and personal, with personal data continuing to emerge as a precious asset. Media companies will struggle to benefit from this unless they manage to wrestle back control from the two “800-pound gorillas in online advertising”.

_ In section 3 we bring together the insights from the two previous sections. We articulate how the current state of CR (section 1) is likely to be impacted by the eight transformative forces (section 2) and in turn what the specific CR challenges arising from those impacts will be. This leads us to formulate four interrelated future CR challenges:

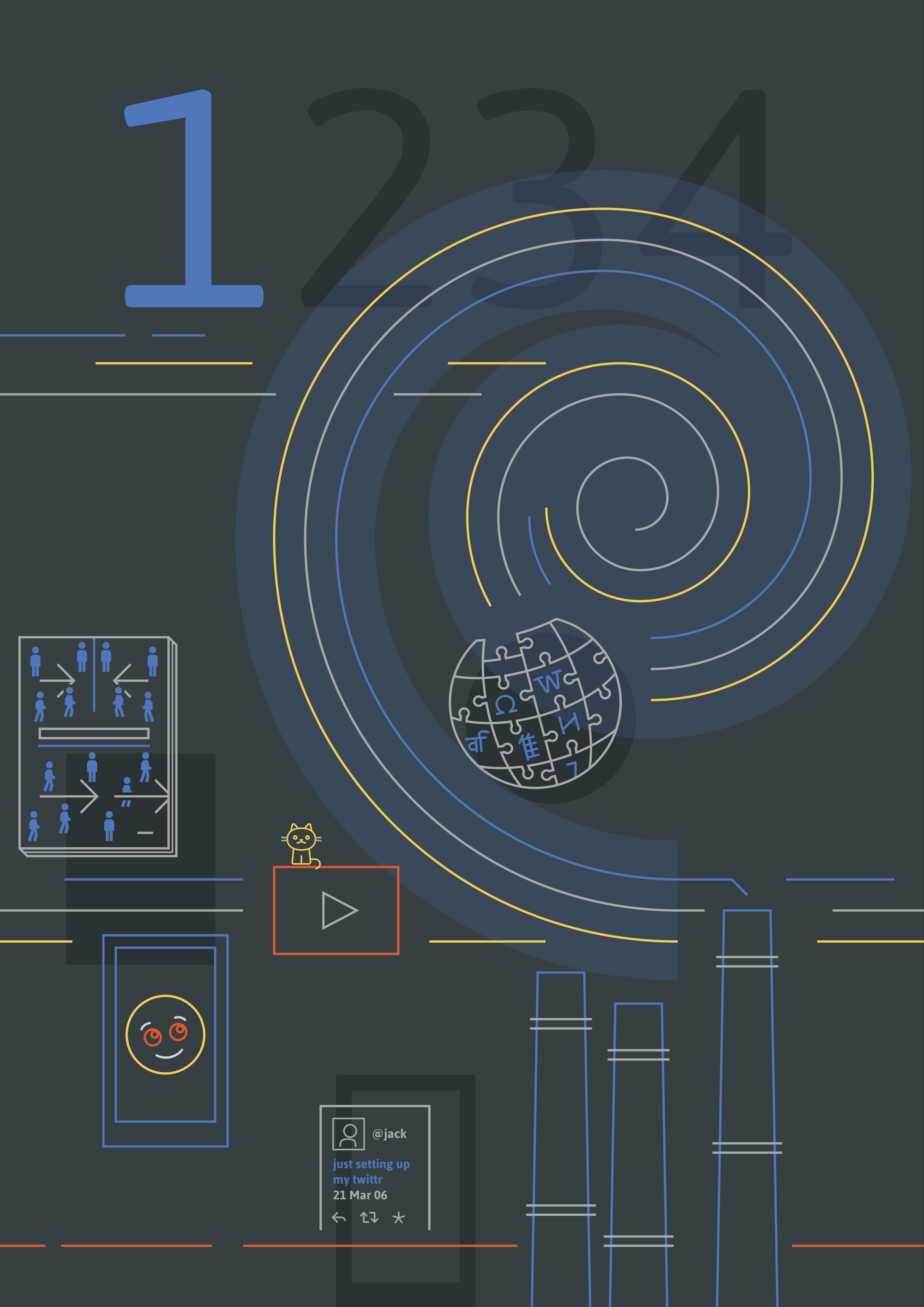
CHALLENGE 1 – THE FUTURE OF PRIVACY More so than now, media companies of the future will actively collect and use personal data. The upside is clear: delivering fully personalised and compelling content for the enjoyment of everyone. The downside relates to data ownership and privacy. Media companies will need to step up their approach to cybersecurity and data privacy.

CHALLENGE 2 – COMING TO GRIPS WITH BEING MOVERS Media companies exercise an enormous influence through their content, be it through data, advertising, (fake) news or entertainment. When analysed through the lens of CR, media's content is probably its biggest effect on society. Yet, in the face of society increasingly holding corporations to account for their social impacts, the sector will continue to struggle managing this undefined and ever changing responsibility.

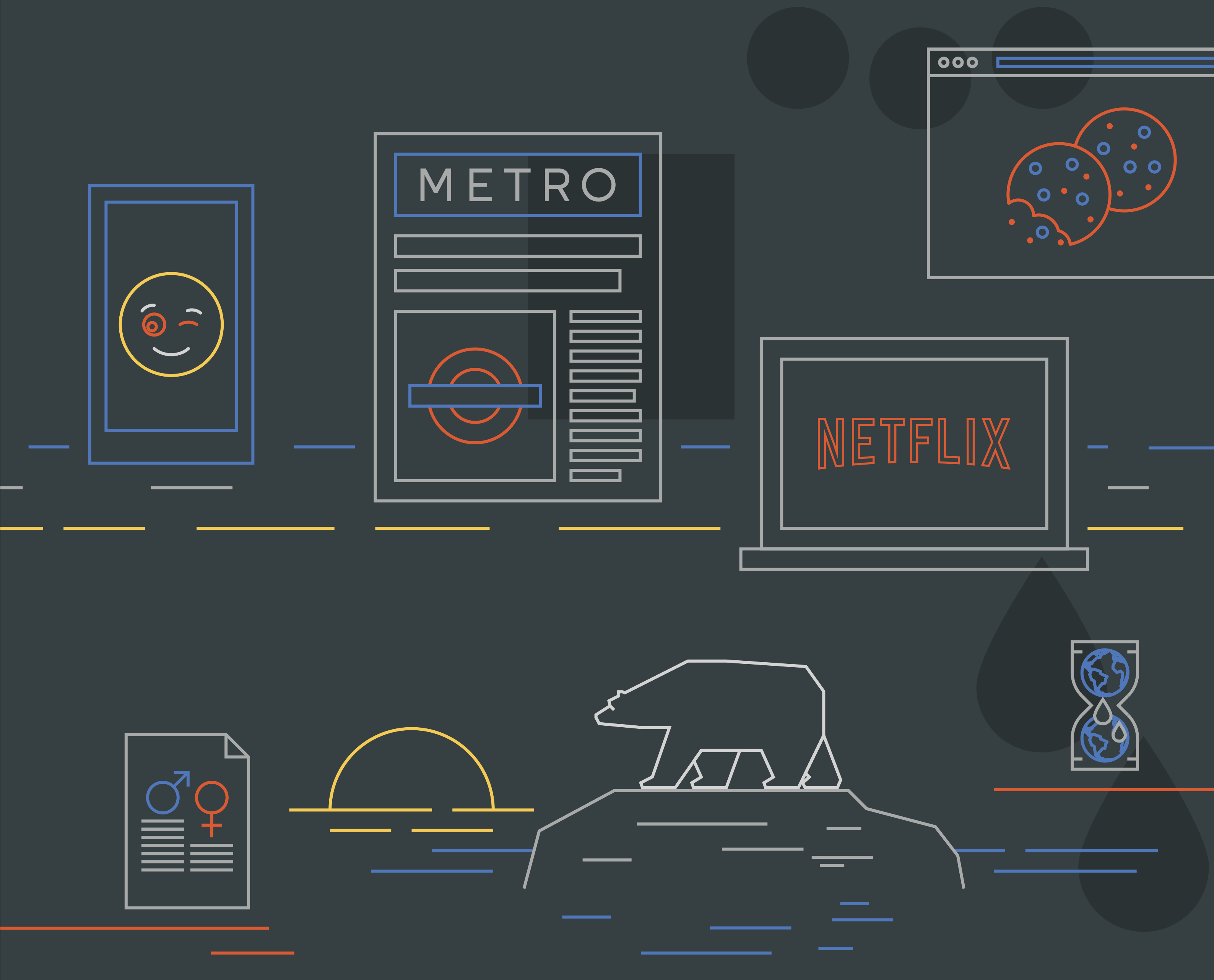
CHALLENGE 3 – MEDIA COMPANIES MUST BECOME ORGANISATIONS WITHOUT WALLS The media landscape is turning into a more fluid business environment, where jobs previously done by media companies will be pushed back on to partners or 'frenemies'. This poses new challenges around community partnerships, degrees of control within the value chain, and measurement of environmental impacts, particularly as they relate to digital.

CHALLENGE 4 – GET WITH THE PROGRAMME: MANAGING THE WORKPLACE OF THE FUTURE There are and will be significant gaps emerging as the job market is unable to provide the critical skills needed to deliver on and develop digital strategies. Media will compete with many more industries for critical talent, forcing the sector to rethink existing notions of 'purpose', 'progression' and 'hierarchy'. Companies will also need to do a better job of providing opportunities to people from different backgrounds.

_ To conclude, in section 4, we ask the question, what does it all mean? In response to this question, we draw out nine lessons for media CR professionals interested in future-proofing their company.


1234
@jack
just setting up
my twittr
21 Mar 06

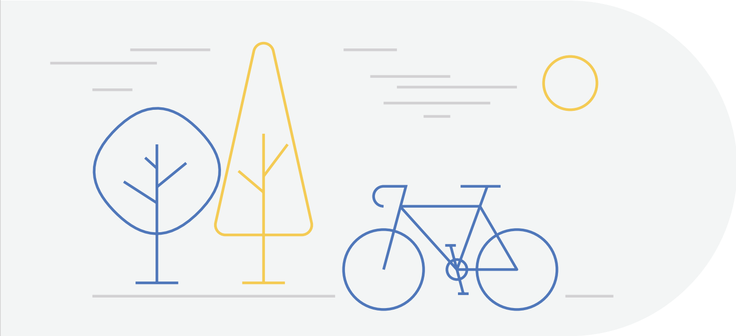
The past and present of media CR



The past and present of media CR

The Responsible Media Forum (then known as the Media CSR Forum) came into existence in the early 2000s. Since then, we have experienced first-hand the huge strides made by the sector to define and take action on its social responsibilities; partly in response to external challenges and expectations that keep getting higher, partly as a result of growing self-awareness. At the turn of the Millennium, media CR may have been the topic of some discussion, but it was nowhere near where it is today: CEOs get it, consumers and employees expect it, and professionals manage it.

Three areas stand out for particular praise.

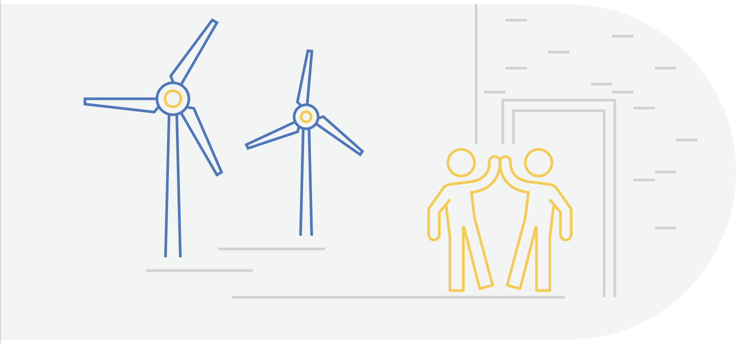


The Environment

Much more efficient companies with a much better understanding of their impacts.

Community Impacts

Much better at using the resources, reach and skills of the sector to make a positive impact.



Employee Engagement

Creating an attractive employee proposition based on participation in social and environmental causes.

However, there are also areas where the sector has failed to make much impact. Despite big investments and significant effort focused on making the sector more inclusive – both from a workplace and a content perspective – there is little evidence that media companies are any more diverse now than they were 10 years ago. Likewise, new thorny challenges have emerged that call for sector-wide responses, including how to balance privacy concerns with commercial objectives and getting a grip on the growing environmental impacts of digital media. As we will see on pages 53–67, these challenges are set to grow in the years to come.

RESPONSIBLE MEDIA 2005–2017

	2005 THEN Ways of working and focus areas	2017 NOW Moving towards...
Environment and climate	– Environmental management systems – Scope limited to own operations – Carbon offsetting – Achievable target setting	– Energy efficiency – Scope including value chain suppliers and partners – Behavioural change and education through content – Science based target setting
Community engagement	– Philanthropy, how to give – Motivated by 'feel good' factor – Charities as recipients	– Community investment, how to make an impact while securing a return – Motivated by overlap with critical business concerns – Charities as partners and critical friends

MEDIA TIMELINE: 1997–2017

- Legal and regulatory
- Trends
- Research and reports
- Tools, initiatives and campaigns
- Media content

1997

Kyoto protocol signed. Paving the way for legally binding GHG emissions targets at the country level. goo.gl/EYB2IW

1999

Metro launched. First free newspaper distributed daily on the London Underground. goo.gl/mvIC9i

2000

Millennium Development Goals launched. World leaders from 186 UN member states committed to help meet eight international development goals by 2015, e.g. to eradicate extreme poverty and hunger. goo.gl/oCdC4a

2001

Wikipedia launched, the world's first online encyclopaedia with no central organisation controlling editing. goo.gl/ou7zdV

CR reporting	– Focus on impacts shared with other sectors – Limited mandatory reporting – Reporting limited to one annual publication	– Focus on unique impacts including content – Extensive mandatory reporting – Reporting increasingly plural, bespoke and continuous
Role of the CR function	– Reactive – Doers, aiming for minimal 'interference' with core business – Liaising with a few external bodies, e.g. Business in the Community	– Proactive – Facilitators, working closely with relevant internal functions – Dealing with multiple partners throughout the year
New on the radar		– Data privacy and protection – Environmental impacts of digital media content – Human rights impacts – Sustainable Development Goals (SDGs)

2003

Media CSR Forum formally launched, with 12 founding participants. goo.gl/tXqhWt

2004

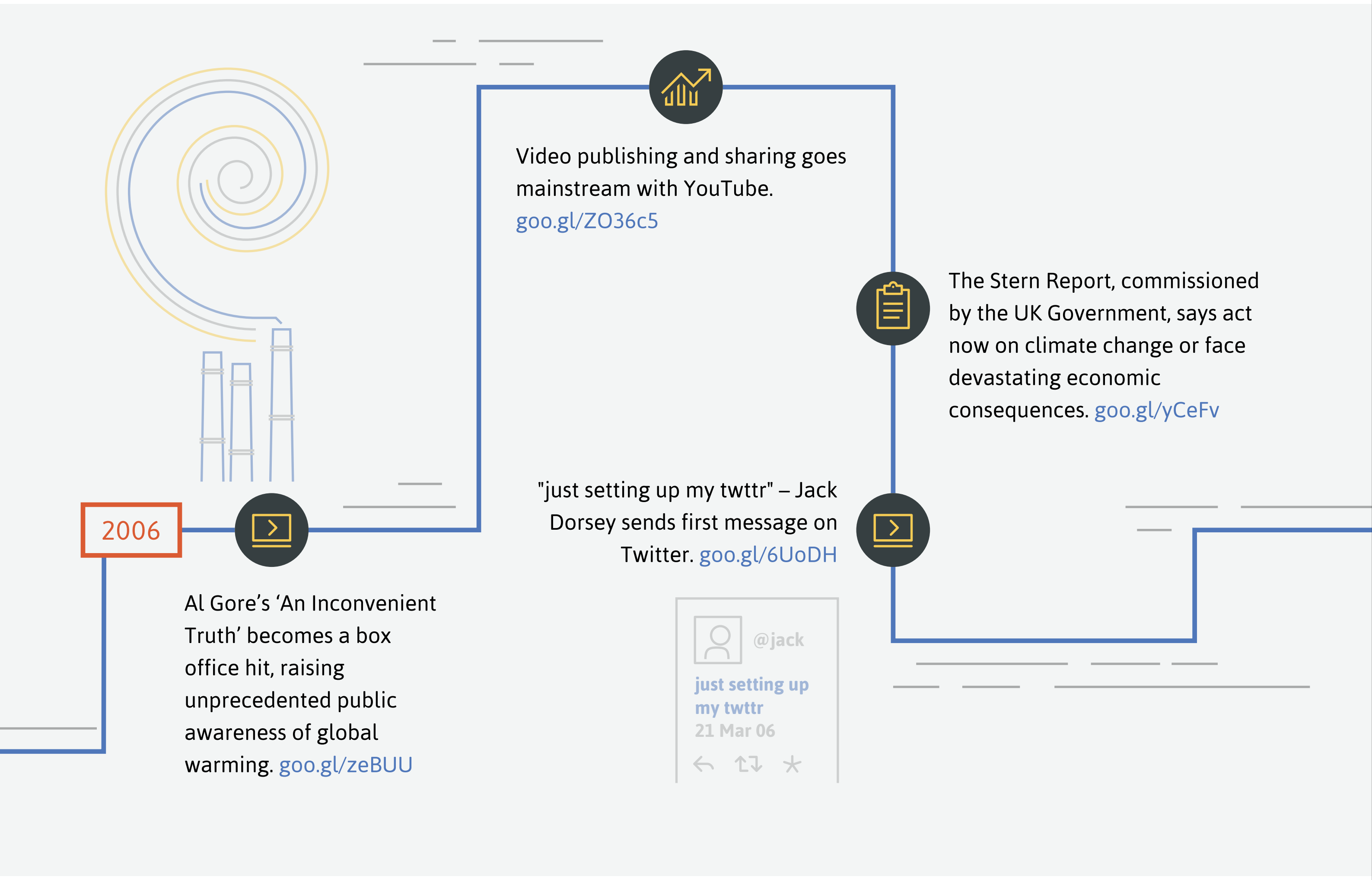
Publishing by individuals goes mainstream through platforms such as WordPress and Movable Type.

Responsible Media Forum publishes 'Key CSR issues for the media industry', the first sector-wide stakeholder assessment. goo.gl/KbUXNM

WWF and SustainAbility publish 'Through the Looking Glass', introducing the concept of media's 'brain print'. goo.gl/ct0BZq

WHAT MEDIA COMPANIES TALK ABOUT

_ We looked at the CR reporting practices of 10 media companies over the past 10 years, breaking down the content into six separate categories. The analysis, summarised in Exhibit 1, tells us that companies continue to dedicate most pages to their Content, followed by Employees, Environment and Community. While the ratios have not changed significantly, the total number of pages has. This number peaked in 2011 at 54 pages, and has since reduced to an average of 32 or the 2015 reporting year. What Exhibit 1 fails to show is the proliferation of CR reporting formats; most companies now use multiple formats, including the corporate website, the annual report and accounts and a standalone CR report or summary. In fact, some of the biggest innovations in CR reporting have come from the media sector, including Guardian News and Media's switch to the blog format and Virgin Media pioneering video-based reporting.



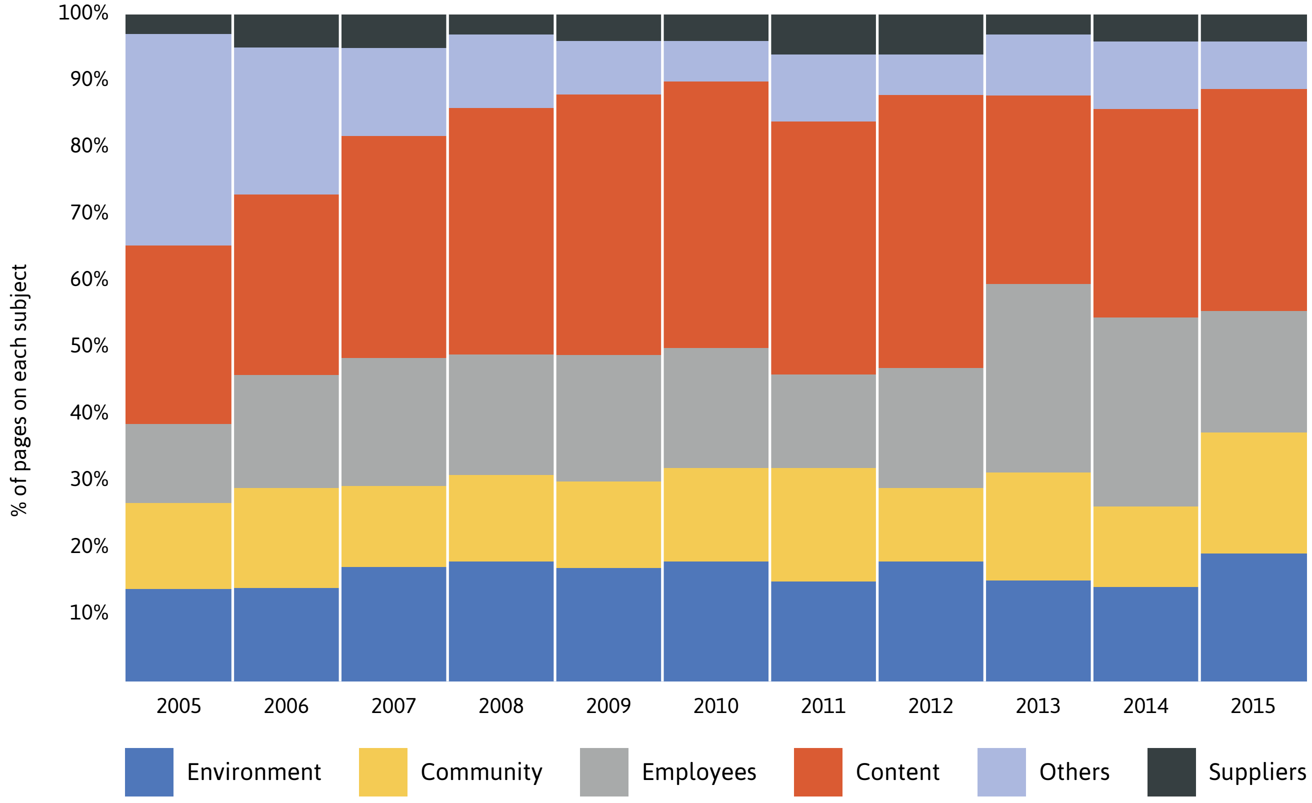


Exhibit 1: CR report content by category

2010

World Economic Forum publishes 'Redesigning Business Value: A Roadmap for Sustainable Consumption'. goo.gl/EjA70X

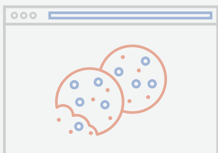
The UK Equality Act 2010 provides a single legal framework to tackle disadvantage and discrimination. goo.gl/o53PHn

2008

The 2008 UK Climate Change Act legally obliges the UK to reduce GHG emissions by 80% below 1990 levels by 2050. goo.gl/EC2PUd

2009

The EU Cookie Directive intends to give web users greater control over their data but receives widespread criticism. goo.gl/1py4Xo



WHAT MEDIA COMPANIES MEASURE

_ Comparing Exhibit 1 with Exhibit 2, we notice a big discrepancy between the narrative (presumably indicating what is considered important) and the quantitative indicators (what gets measured) in CR reporting. While narrative reporting on Environment takes up only one in five pages, it accounts for a whopping third of KPIs. Conversely, a third of CR reporting narrative is dedicated to Content, but this accounts for less than one in ten KPIs. This suggests that media companies are aware of the importance of content impacts (sometimes referred to as the 'brainprint' of media), but struggle to measure those impacts. Measuring the social impacts of media content remains a challenge for the sector.

CR IS BECOMING STRATEGIC

_ From our interviews we learned that CR responsibilities are increasingly integrated into other core functions, such as procurement, facilities, audit and communications. Colleagues in other parts of the business now help with the implementation and delivery of sustainability programmes.

2011

WikiLeaks rises to fame by releasing a huge archive of confidential U.S. State Department cables. goo.gl/RWxTaS

WWF and Public Interest Research Centre (PIRC) publish 'Think of Me As Evil: Opening the ethical debates in advertising'. goo.gl/TygCxb

Internet activist, Eli Pariser, publishes 'The Filter Bubble', arguing that our worldviews are narrowing as the algorithms serving us personalised online media content increasingly shield us from opposing views. goo.gl/BW9dx1

The BBC launches Albert, a carbon footprinting tool that is quickly taken up by peers in the broadcast industry. goo.gl/4YG1aW

BBC airs 'Frozen Planet', presenting climate change as fact in its 7th and final episode. goo.gl/r4NA75

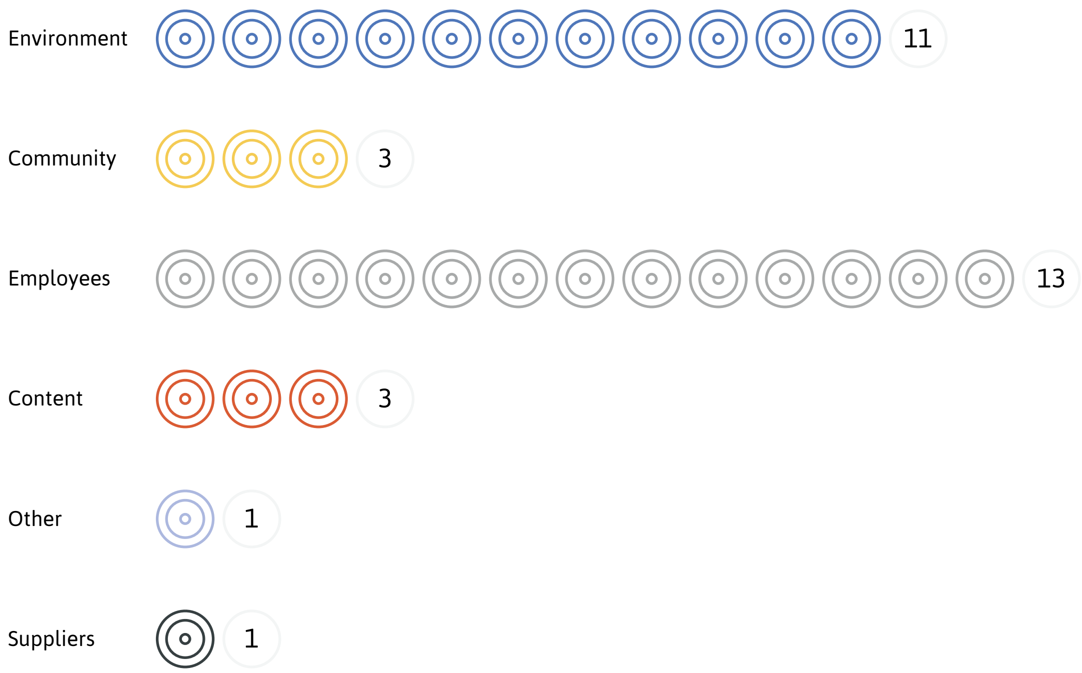


Exhibit 2: Average number of KPIs per report broken down by category

2012

Eurosif publishes the Media Sector Report providing an investor's perspective on ESG risks in the media sector. goo.gl/HkOU1g

Channel 4 launches the iconic 'Super Humans' trailer and provides blanket coverage of the London 2012 Paralympic Games. goo.gl/F3ApiQ

Thomas Kolster publishes 'Goodvertising: Creative Advertising That Cares'. goo.gl/DqxXI3

News of the World closes after 168 years in business due to its phone-hacking practices. goo.gl/rk05G

Do investors care about sustainability?

// Over the past two years, I reckon I've had 1:1 conversations with anywhere between 250–350 investors. They have never asked me a single question about sustainability. That would be one answer.

The other answer is this: Even if investors don't ask about it, they expect it. There is an expectation that you will conduct yourself in a broadly sustainable manner. The influence of the word sustainability extends far beyond the environment. It includes your recruitment practices, your payment practices, your H&S practices, your advertising practices, etc. In that sense, I think there is a sense of expectations around public accountability that sits with being a public company.

Investors don't want a fair return. They want an unfair return. But they don't want that unfair return in an irresponsible way. They want that unfair return as a result of you exceeding your expectations, but also meeting and exceeding your bigger obligations towards society.

FTSE 100 media company CEO, 2016

Exhibit 3: A FTSE 100 media company CEO's take on investors and sustainability

2013

The Circular Economy concept gains traction among big companies. goo.gl/3UmOIv

As Blockbuster goes out of business, Netflix reaches 31 million US subscribers. goo.gl/A6MWQH

The Media CSR Forum publishes 'Mirrors or Movers: Framing the debate about the impact of media content' and launches annual public conference. goo.gl/vonWhI

2014

The Independent Press Standards Organisation (IPSO) replaces the Press Complaints Commission (PCC) as the regulator of the UK newspaper and magazine industry, following criticism from the Leveson Inquiry. goo.gl/rDA2Ed

The popularity of native advertising starts soaring.

In leading companies, CR teams see themselves as facilitators, trend spotters and internal consultants whereas in the past they worked more as implementers. Exhibit 3 suggests that this change may be aligned with the expectations of investors; they will rarely ask for specifics about sustainability initiatives, but expect sustainability to be happening in the background – embedded into everyday business practices.

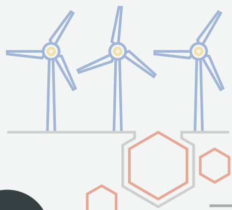
There are also quantitative aspects to this change. On average, major media companies employ one person dedicated to CR for every ~3,000 employees, obviously with major variations between individual companies. This number includes people working in dedicated CR teams and/or with CR/sustainability in their job title.[2] By our estimation, this represents a doubling of the number of people working in dedicated media CR roles over the past 10 years.

GETTING A HANDLE ON IMPACTS

_ The media sector is light on direct environmental impacts. Our analysis of 10 of the world's largest media companies vs 10 of the largest extractive

The Comms Lab publishes 'Reclaiming Agency: How to save advertising (and create a better world)'. goo.gl/NZ97H2

Starting with Sky, UK broadcasters set ambitious on- and off-screen diversity targets. goo.gl/F4RL91



The Guardian launches 'Keep it in the Ground' campaign, with outgoing Editor-in-Chief Alan Rusbridger noting that journalism has not "done justice to the issue of how climate change will probably cause untold havoc and stress to our species." goo.gl/8gdK4i

Launch of Internet Matters, backed by major internet industry players, to keep children safe in the digital world. goo.gl/SD121S companies indicates that for every tonne of greenhouse gases (GHG) emitted by a media company, their extractive peer emits 143 (Exhibit 4). This does not mean that the media sector is low impact overall, merely that its impacts are different. If we had the metrics to prove it, it may well turn out that media companies are 143 times more impactful (or more!) than mining companies when it comes to questions around behavioural change. We explored this issue further in our 2013 report: *Mirrors or Movers? Framing the debate about the impact of media content.*[3]

WHAT TO MAKE OF THIS?

_ In summary, the sector has come a long way since the early 2000s. Companies have more ambitious CR programmes in place, dedicate more financial and human resource to manage their responsibilities and generally have a better understanding of their unique impacts on society. On the other hand, the sector is still in the process of finding its feet, grappling with managing let alone measuring its content and other core impacts. But finding your feet is difficult when the landscape around you is convulsing and the levels of scrutiny are increasing.

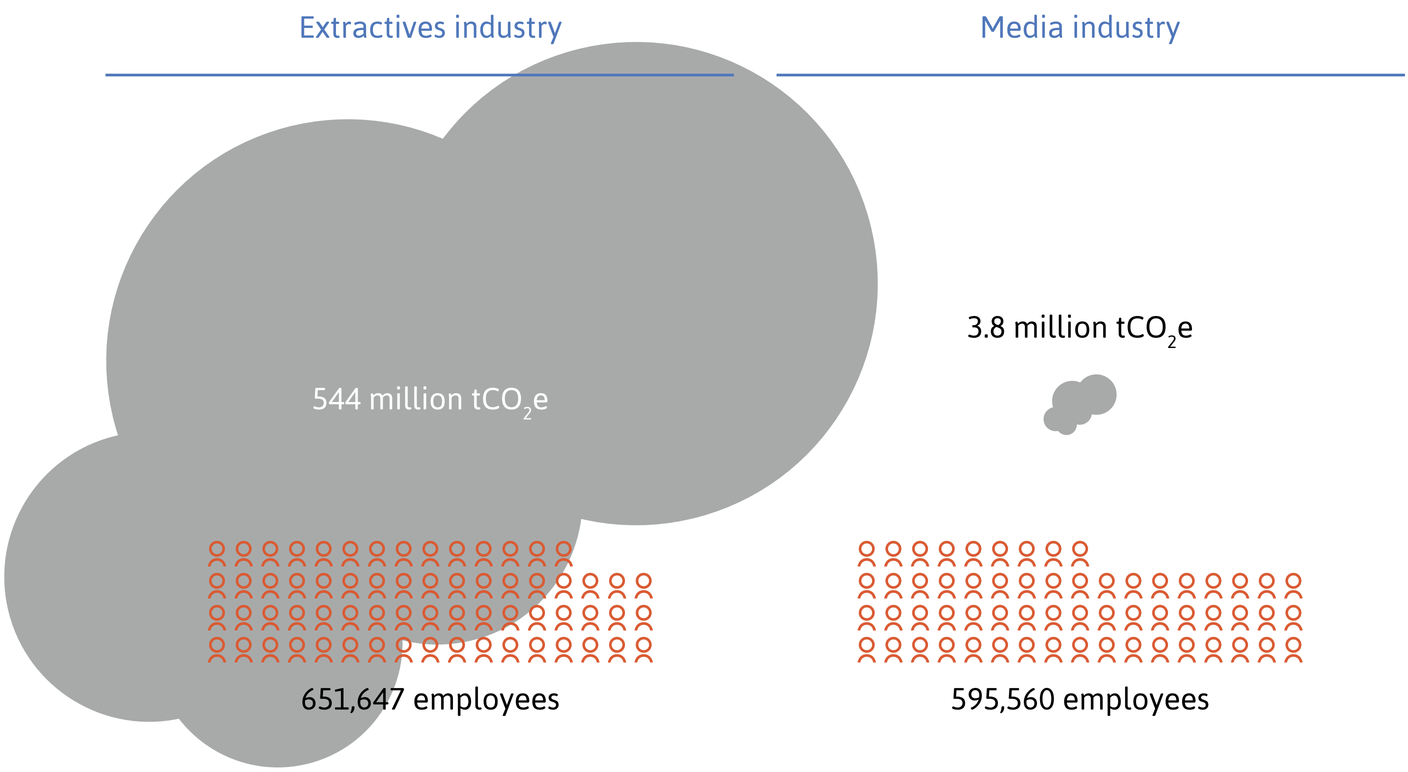


Exhibit 4: Comparison between GHG emissions and employee numbers of 10 of the largest media companies versus 10 of the largest extractive companies

The Sustainable Development Goals (SDGs), comprising 169 targets across 17 Global Goals, adopted at the UN Sustainable Development Summit.
goo.gl/sRozSM

The Institute of Practitioners in Advertising (IPA) challenges advertising agencies to demonstrate the positive societal impact of their work through the 'President's Prize' at the annual IPA Effectiveness Awards.
goo.gl/7fMzK2

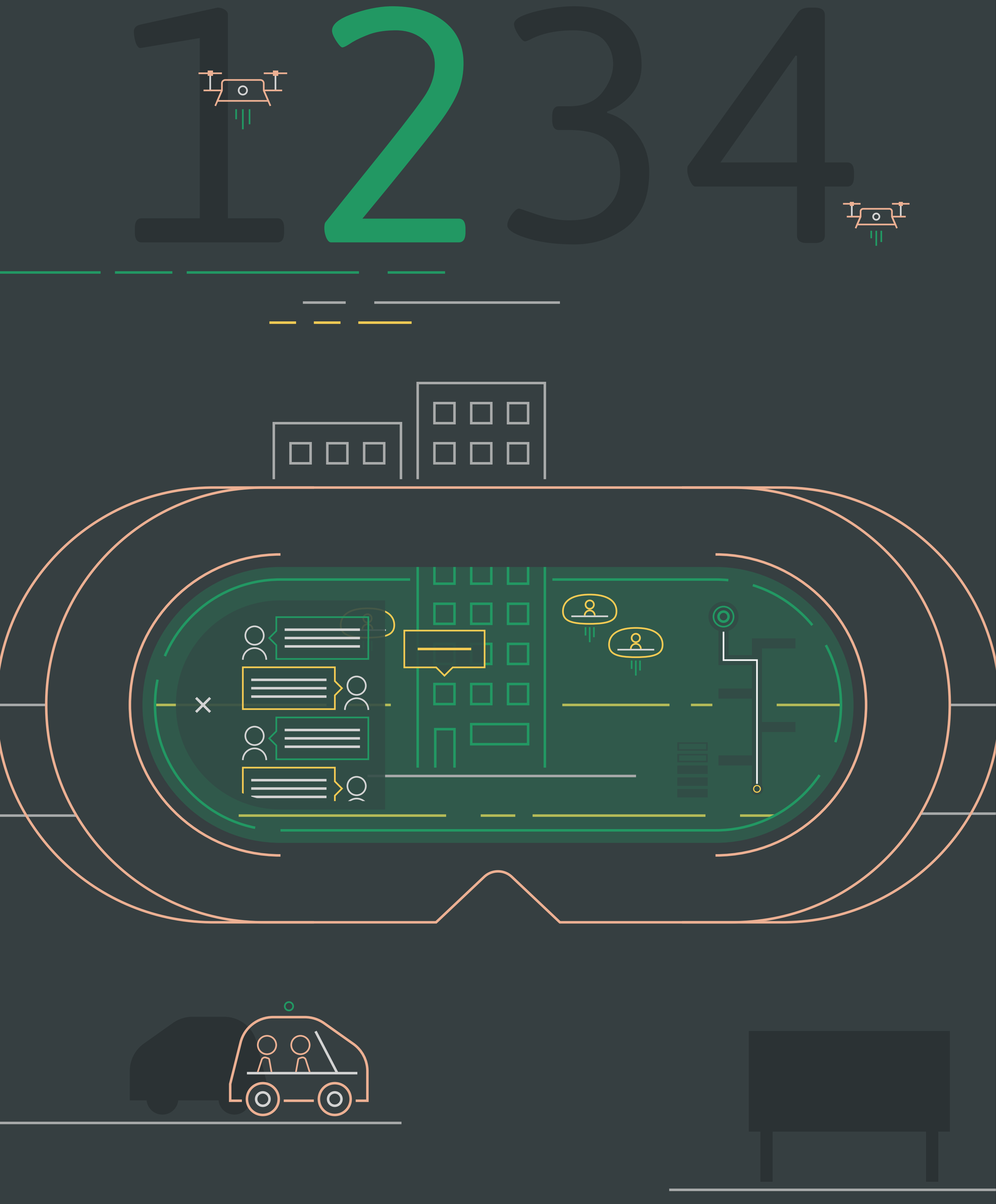
2016

Companies push to align their sustainability programmes with the objectives of the Sustainable Development Goals.

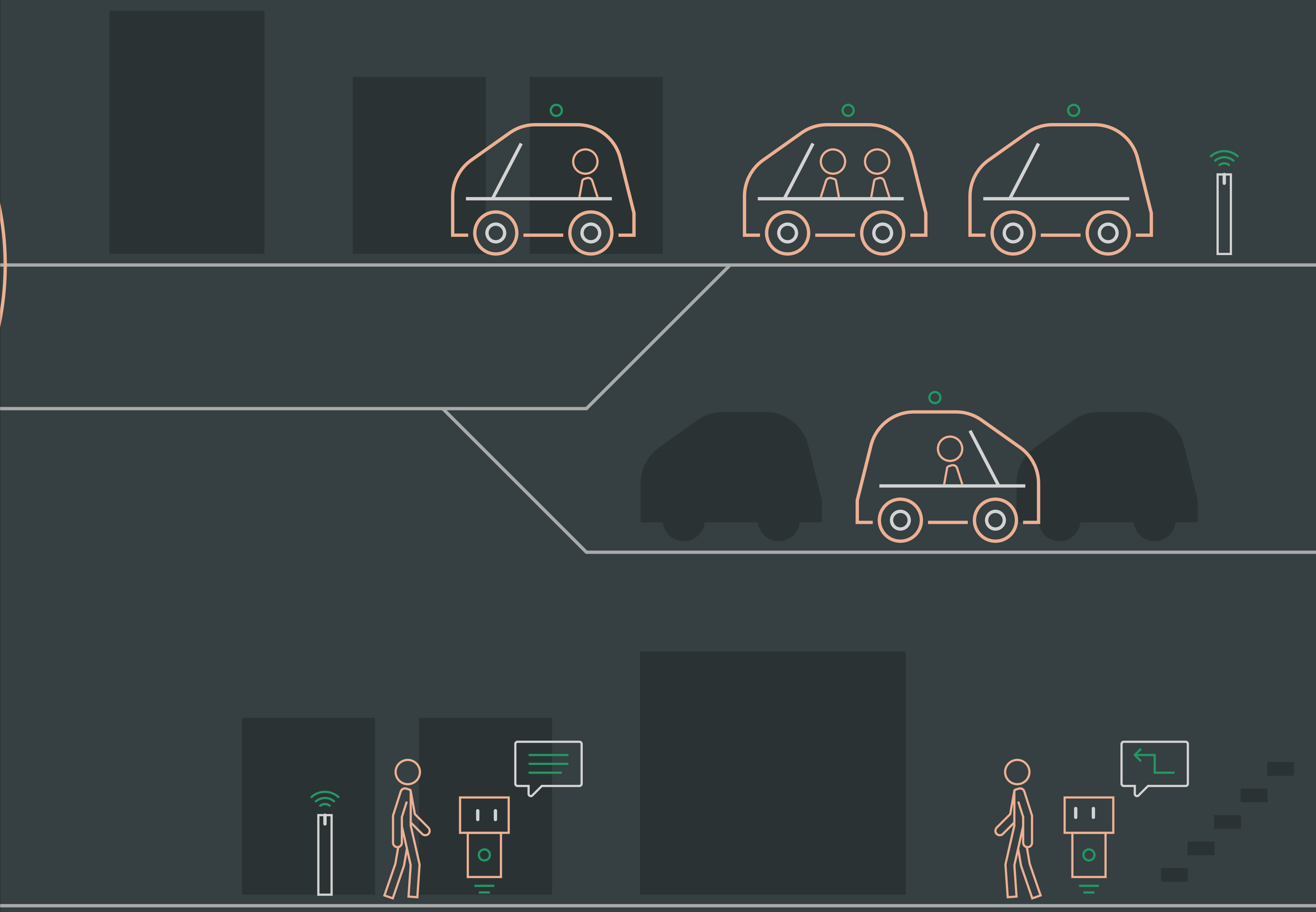
EU data protection framework adopted, introducing increased rights for data subjects, stricter consent requirements and fines of up to 4% of revenue.
goo.gl/OwsK8S

2017

The UK Government's gender pay gap reporting legislation comes into force.
goo.gl/y4Ke1w


1234

The social and technological drivers changing the media landscape



The social and technological drivers changing the media landscape

We are in the midst of a fourth industrial revolution,[4] and media companies are right at the centre of it. The main difference between this and previous industrial revolutions has to do with speed. Technology is evolving at an exponential pace where in the past, the trajectory was linear. In this section, we identify eight key forces affecting society generally and the media landscape more specifically.

THE SHIFT TO DIGITAL

_ Media's shift to digital is the underlying theme throughout this report. The migration towards digital delivery and business models is indeed well underway, but it is far from finished (and probably never will be). Every interaction we have in the digital economy produces multiple data-points which in turn have become an asset in their own right. The prefix 'digital' will soon become superfluous. Inasmuch as we like to talk about it and its disruptive potential, digital is fast becoming a baseline assumption. Just like we don't talk about the 'electric' society, 'colour' TV or 'internal combustion' cars, 'digital' is becoming too pervasive to warrant a label of its own. Labels aside, how will this transition play out in the years to come?

As the number of fixed and mobile broadband connections have grown, media usage has transitioned from traditional to digital.[5] Measured by consumer spend on media products and services, digital media spending looks set to overtake traditional media by 2017, growing to a 55% share

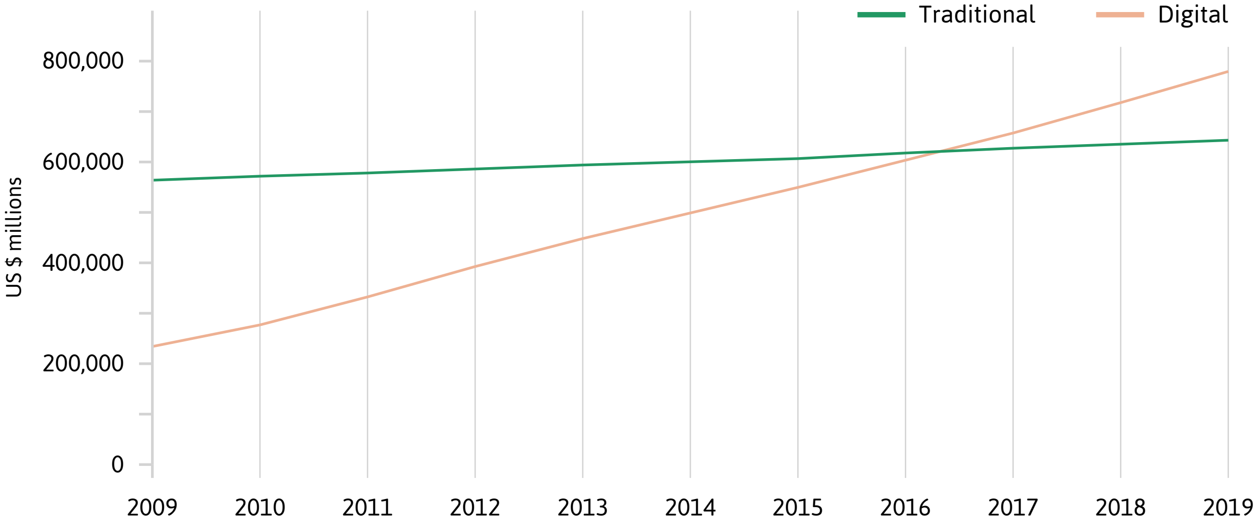


Exhibit 5: Consumer media spending: traditional versus digital (sourced from "Global Media Report 2015: Global Industry Overview", September 2015, McKinsey & Company, www.mckinsey.com. Copyright © 2016 McKinsey & Company. All rights reserved. Reprinted by permission)

by 2019 (Exhibit 5). If we look at the combined spend of advertising and consumers, digital spend is projected to overtake traditional media spend by 2019.[6] But 50% is still only half; for all the talk about digital, traditional media will remain a considerable factor for the foreseeable future.

Which media categories are set to thrive and which are not? Exhibit 6 indicates that broadband, video games and cinema will be the fastest growing categories while consumer books, newspapers and consumer magazines will face sluggish or no growth.

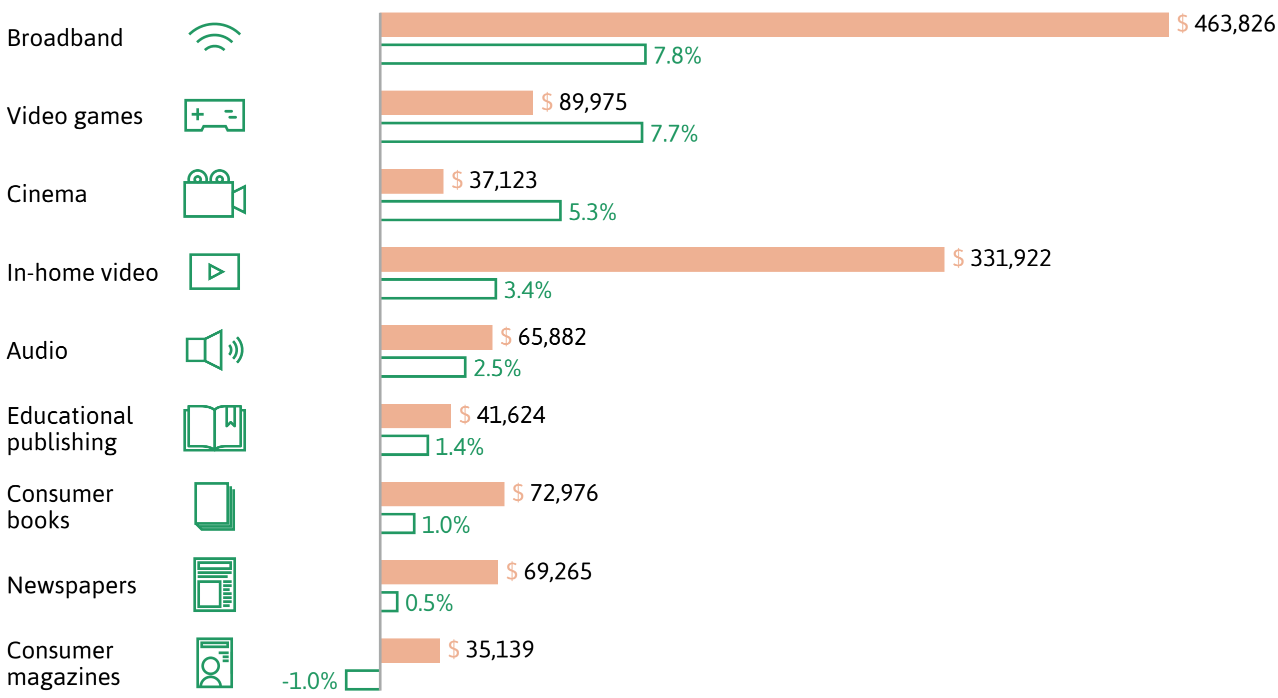
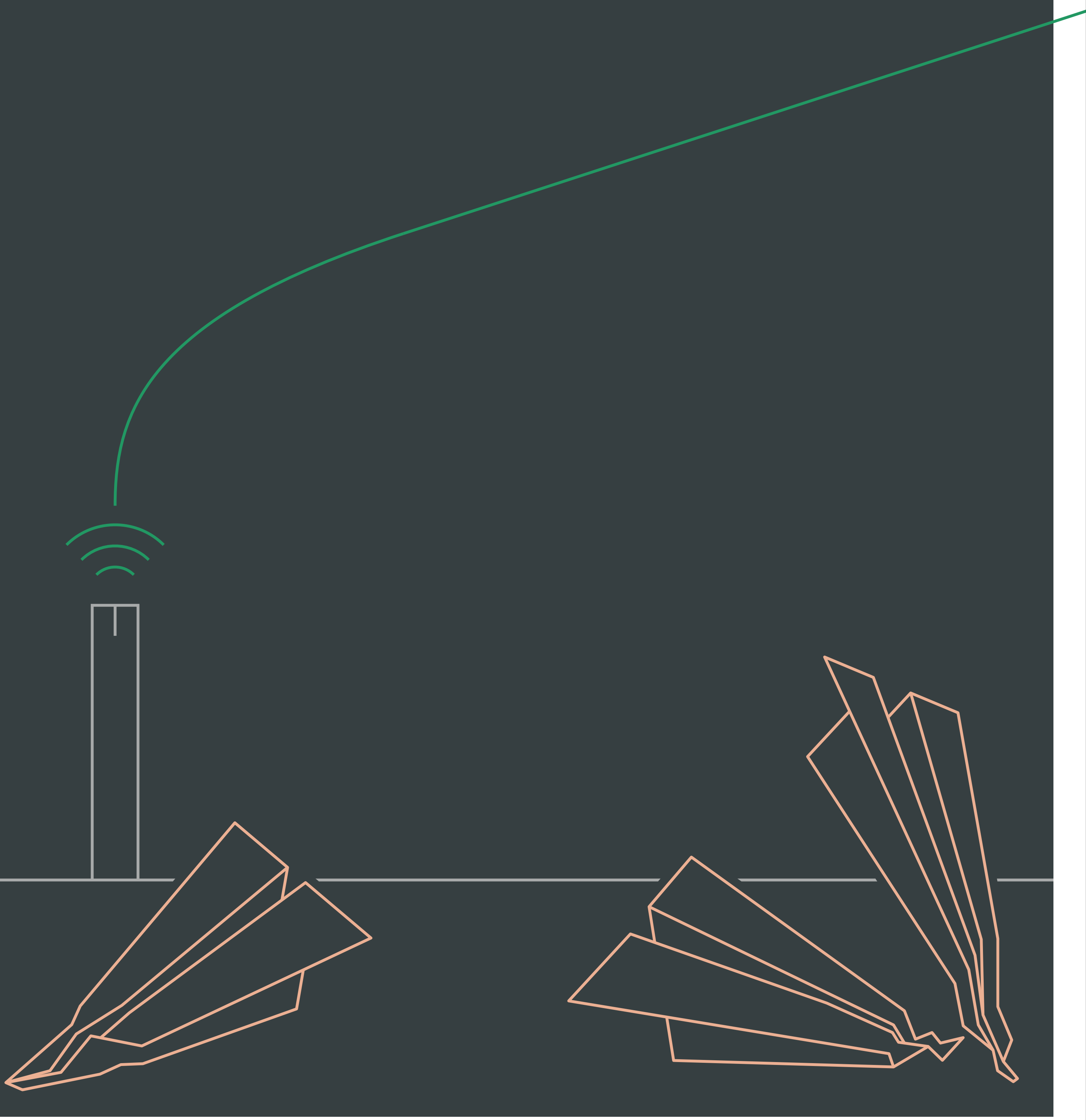
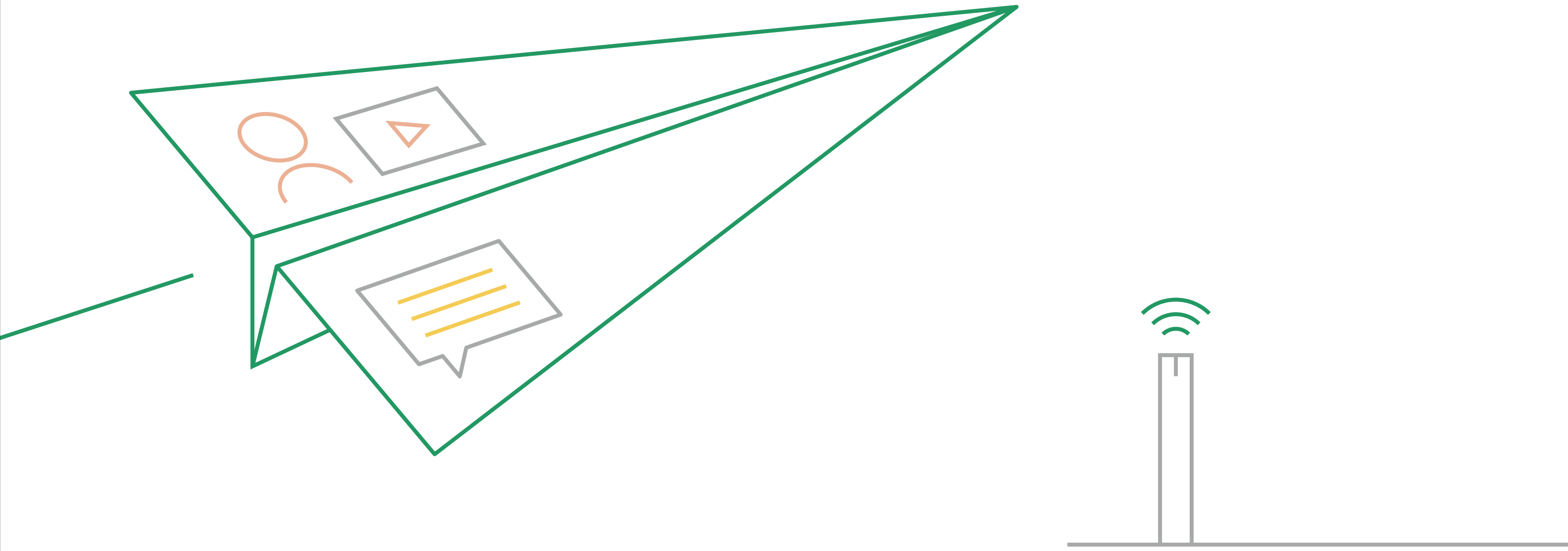


Exhibit 6: Predicted global consumer spending in 2015 (in US $ millions) and predicted compounded annual growth rate 2014–2019 by category (sourced from "Global Media Report 2015: Global Industry Overview", September 2015, McKinsey & Company, www.mckinsey.com. Copyright © 2016 McKinsey & Company. All rights reserved. Reprinted by permission)

FORCE 1

Innovate or perish

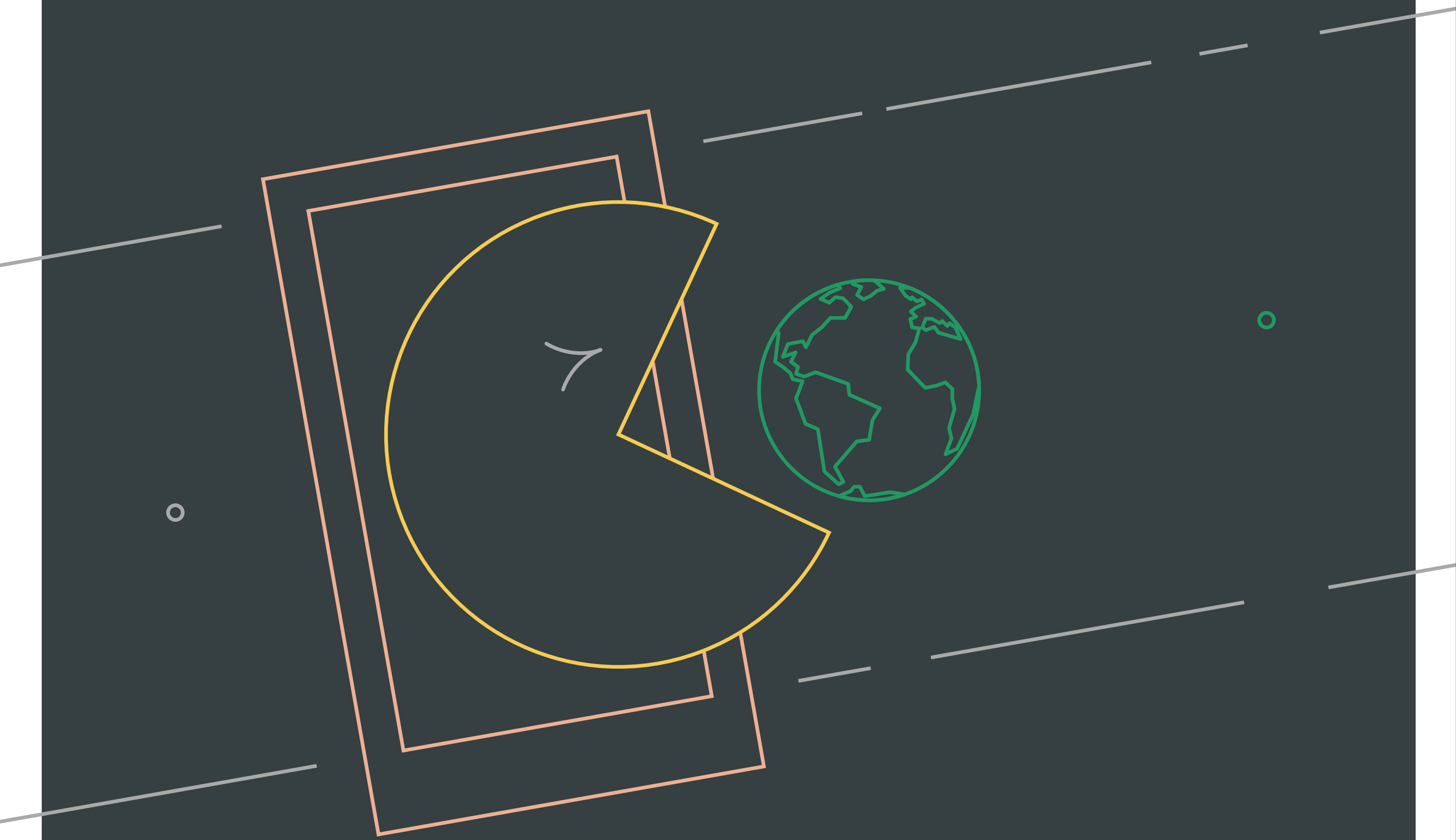




_ If we could derive one imperative only from the switch to digital, it would be the need to innovate. To date, the media sector has faced some of the biggest innovation challenges of any sector. The ability to innovate has truly become a survival trait. Nowhere is this maxim more prevalent than in the rise of the 'Frightful Five'[7] – Amazon, Apple, Facebook, Google and Microsoft – whose ambition and expansion have challenged existing business models and drivers of value in many sectors, particularly within media. Each of these companies fiercely protects its dominance by innovating continuously and rapidly. Innovation capability – understood here as the right mix of people, processes, capital and appetite for risk – has become the moat that gives them sustained advantage. And it looks like that moat is getting deeper and wider: while Google spent 16.4% of its revenue on R&D activities in 2015, and Facebook almost a quarter, the Daily Mail & General Trust, running one of the world's most popular news sites, spent an equivalent of 3.6%.[8] Ultimately, what sets media companies apart is not their abilities as publishers so much as their ability to second guess how technology will change their markets and ways of operating. With this imperative in mind, what are the developments that will affect media the most?

FORCE 2

Mobile will (continue to) eat the world[9]



_ Two huge shifts are changing the way media content is consumed.[10] One is the rise of audiences accessing content through their phones or mobile devices. The other, related to the first, is the increase in people accessing content through social platforms such as Facebook, YouTube and Snap-Chat. We will unpack these developments in turn.

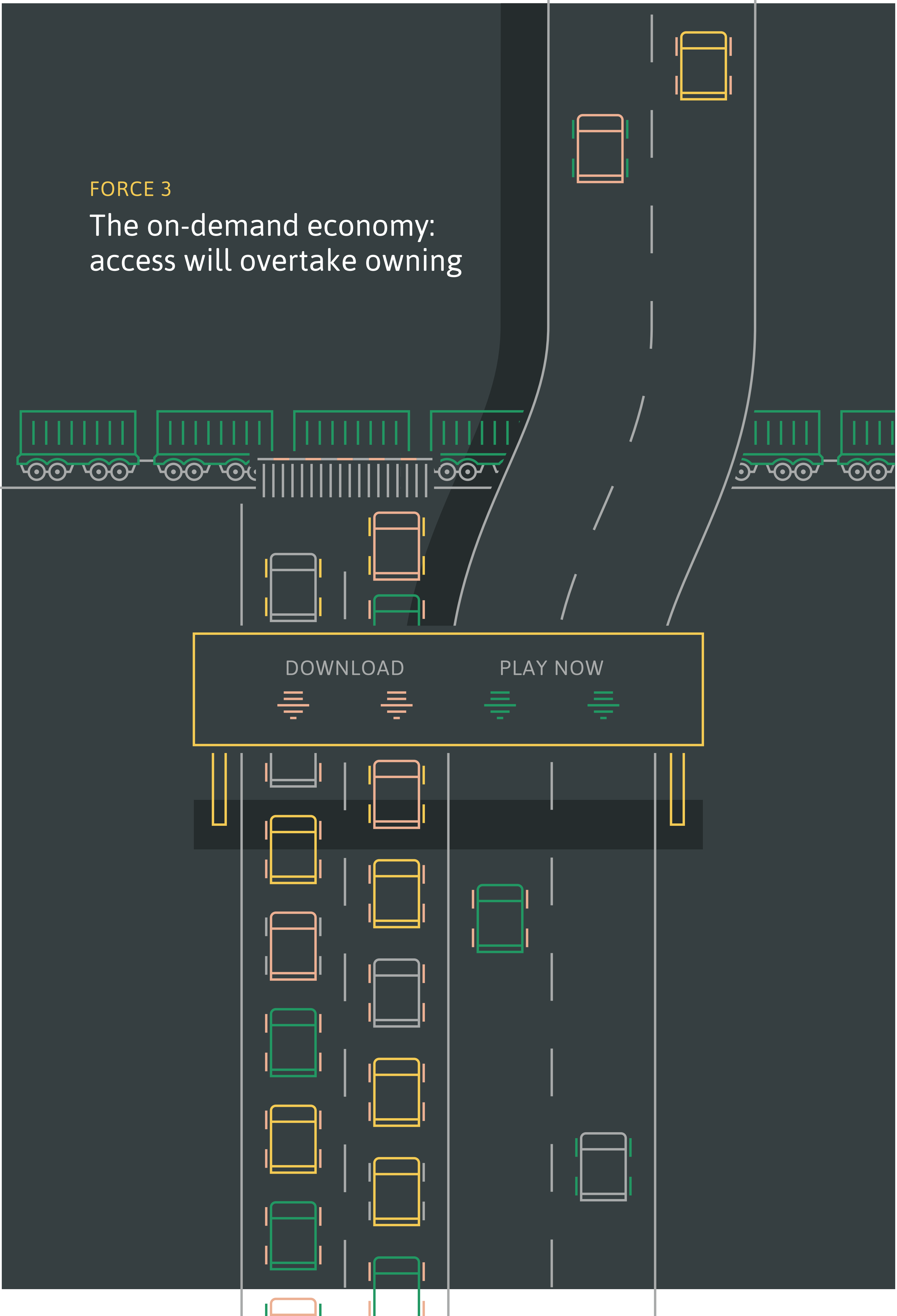
The rapid uptake of smartphones and tablets has changed the way media content is produced and consumed. The change towards mobile media consumption is happening globally, with media access through mobile devices being the fastest-growing sector of global media spending. McKinsey projects that by 2019, mobile broadband penetration will overtake that of fixed broadband.[11] On a similar note, Benedict Evans predicts that by 2020, five billion people will have a smartphone out of a total population of eight billion.[12] To get a sense of the scale of this, that is more than five in six of the World's adults holding a smartphone.

The average adult checks their phone 30 times a day, and the average millennial 150 times (by the time of publication, those numbers will probably be out of date).[13] Worldwide, the average mobile user spends four hours a day on the phone and has an average of 33 apps installed on his or her device. 12 of these apps are used on a daily basis and three of them account for more than 80% of all time spent on apps.[14]

The rise of mobile poses more than a format challenge, though. Commercially, cracking the nut of how to convert mobile media usage into revenue may be the biggest challenge facing news publishers. Having led a somewhat sheltered life away from Asian competitors, Western media companies may start to feel the heat from a generation of companies that did not have to transition to a mobile media economy but were, so to speak, born to do it. In emerging economies, consumers are leapfrogging from "no digital use" straight to "mobile use."[15] China's WeChat, for example, represents 35% of Chinese time spent on mobile, with 31% of those using WeChat making a purchase through the app in 2016;[16] numbers that would make any Silicon Valley company green with envy. So, while Western tech and media companies, including Yahoo, Google and Facebook, have been unable to crack the Chinese market to date, Chinese companies may soon be looking to gain a foothold across other geographies.

FORCE 3

The on-demand economy: access will overtake owning



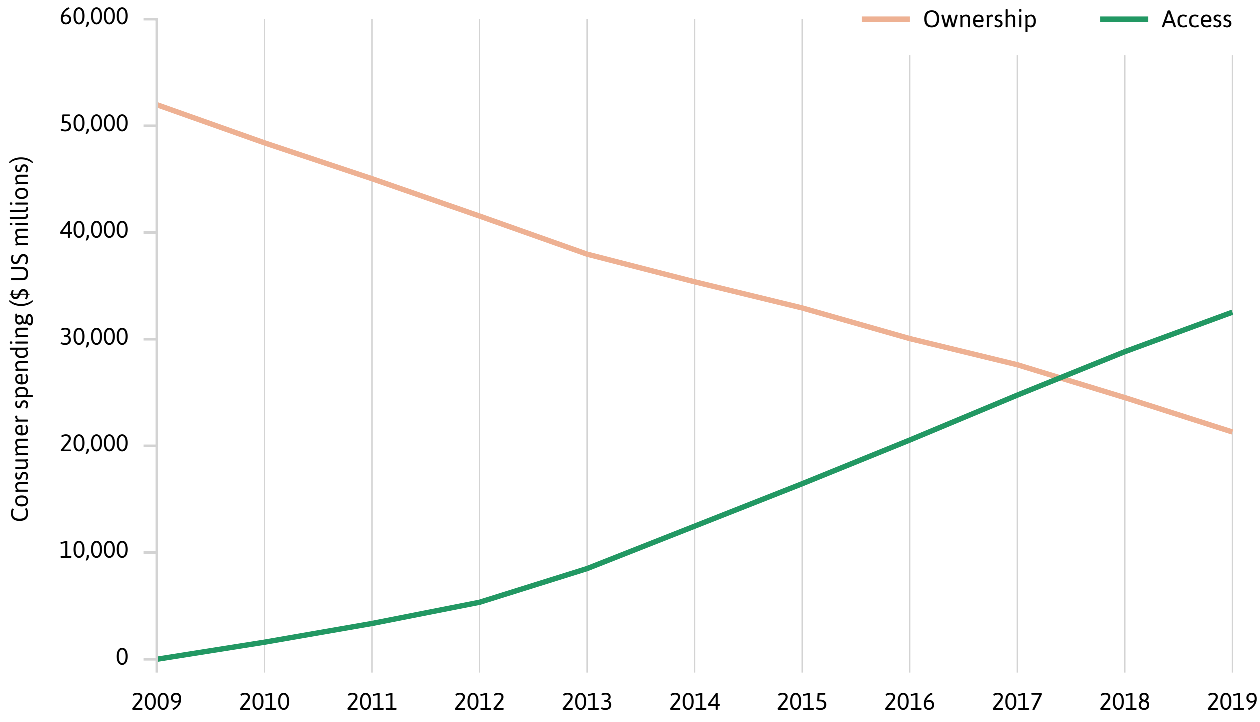
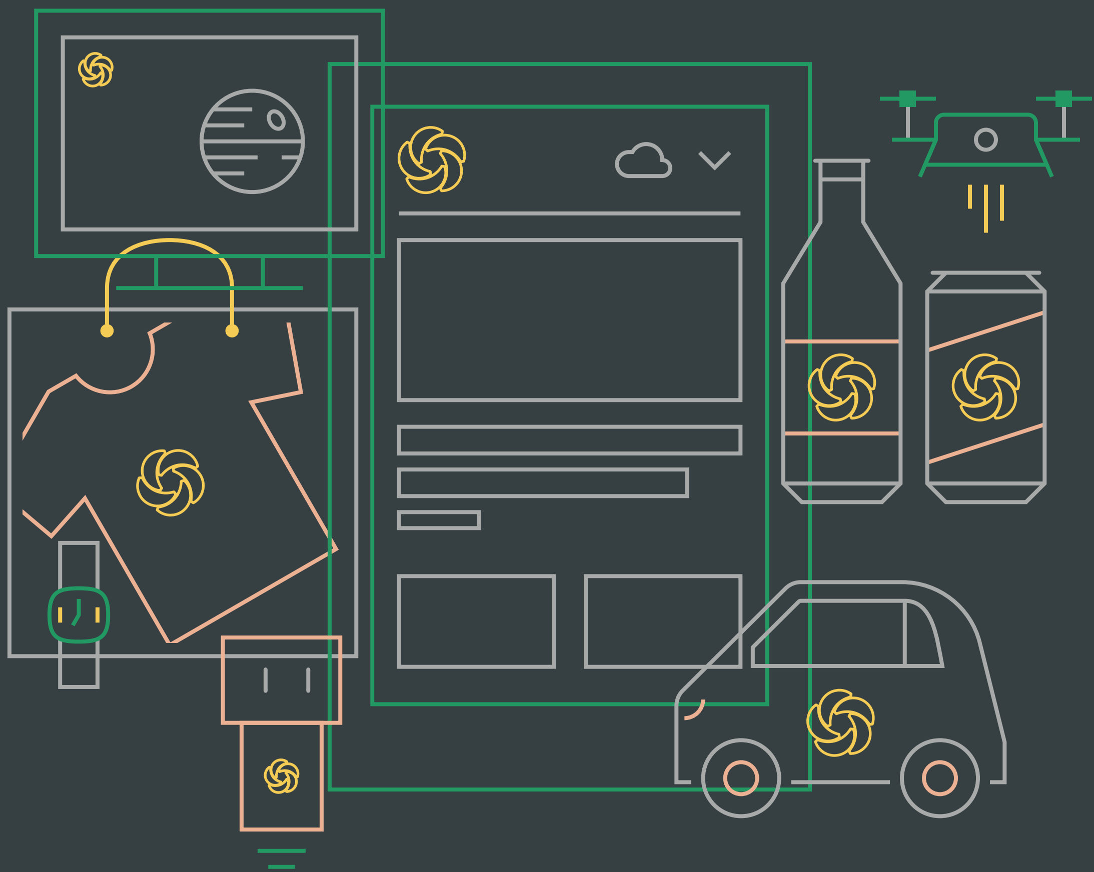


Exhibit 7: Media ownership versus access (sourced from "Global Media Report 2015: Global Industry Overview", September 2015, McKinsey & Company, www.mckinsey.com. Copyright (c) 2016 McKinsey & Company. All rights reserved. Reprinted by permission)

_ The sharing economy, dematerialisation and on-demand are all concepts that describe a fundamental shift happening around us: access is displacing ownership in all spheres of life. As Kevin Kelly, the founder of Wired, puts it: In the future you will own nothing and have access to everything.[17] The media sector was one of the first industries to be hit by this emerging mode of consumption (remember Napster?) and the transformation continues unabated. Consumers are spending less to buy and own media content – such as physical home video and digital downloads – while spending more to gain access, predominantly through digital streaming services. McKinsey estimates that over the next five years, global spending on buy-to-own content purchases will fall at 8.4% CAGR,while spending on content access will increase at a 19.2% CAGR.[18] At this rate, access-spending will overtake ownership-spending in 2018, accounting for 57% of total spending by 2019, as shown in Exhibit 7. And because the cost to access content is generally lower than the cost to buy content, the shift from ownership to access will also have an adverse effect on overall media spending.[19] For media companies, this requires a fundamental rethink of how content is packaged, priced, marketed and sold: how to transition from product to service, from acquisition to subscription-based business models? How to (un)bundle existing and future offerings in desirable packages? How to simultaneously offer access to 500,000 books and a single paragraph without compromising pricing models?

FORCE 4

The boundary between tech and media (and everything else) will disappear



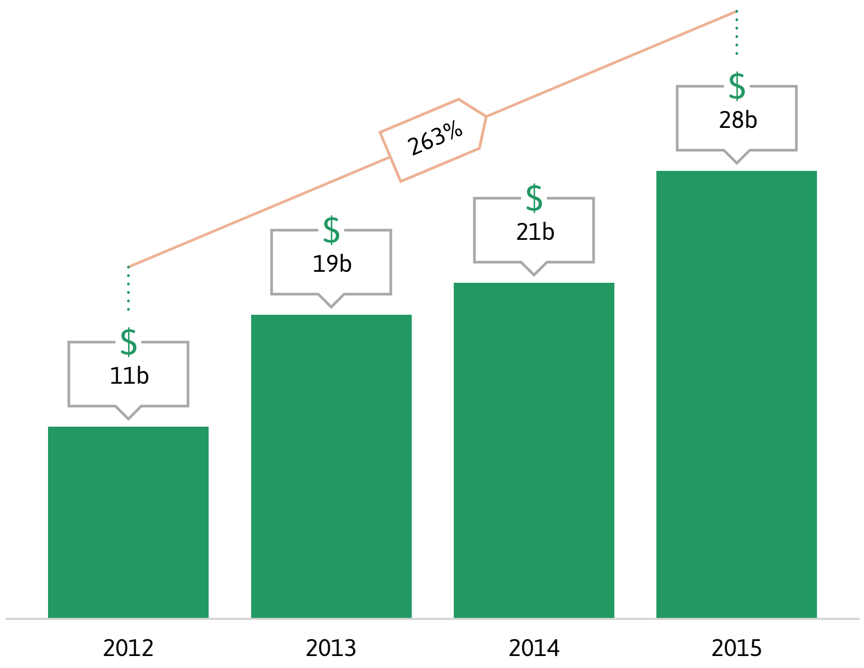
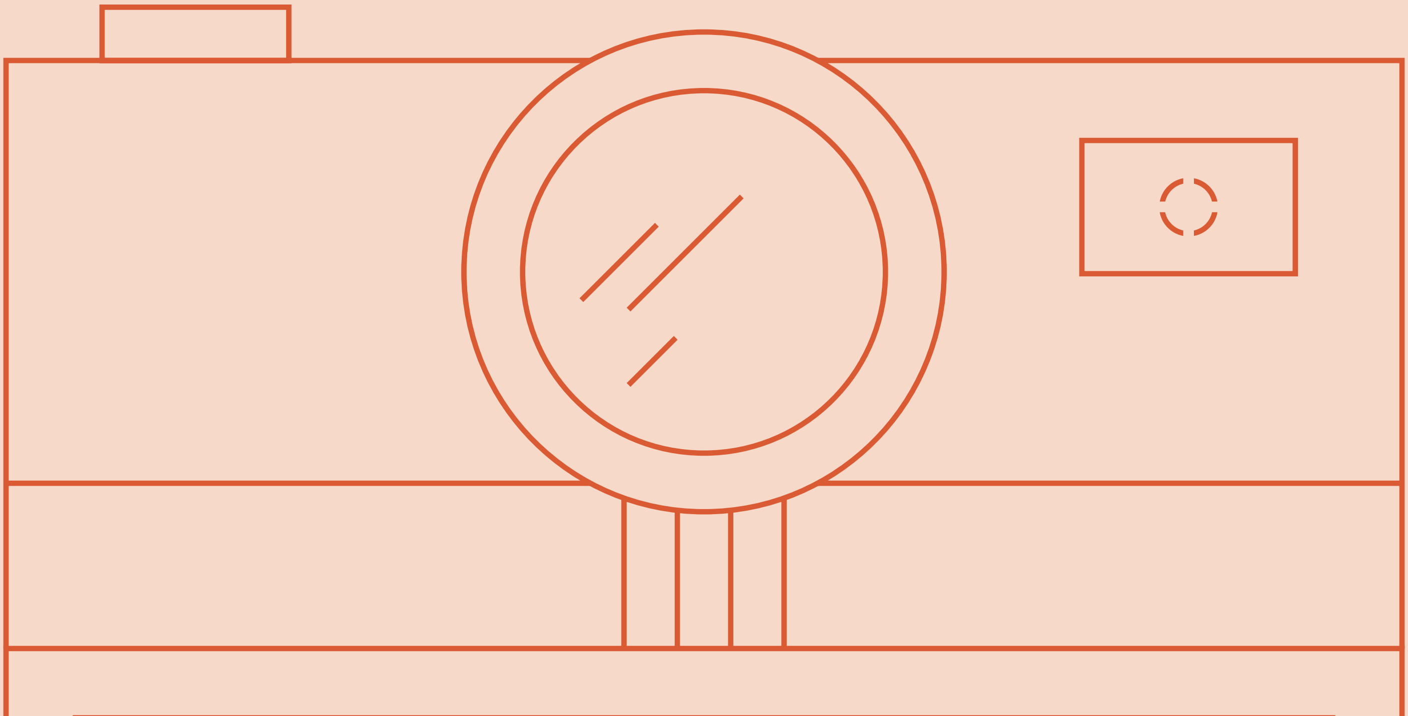


Exhibit 8: Tech acquisitions by non-tech corporate buyers, by volume
(adapted from Mary Meeker's Internet Trends Report)

_ Social platforms such as Facebook and Twitter have redefined how we communicate and interact with media, yet few are older than children. Initially, the social media platforms saw themselves largely as neutral platforms for others, enabling individuals and organisation to share and publish information. But as the competition for user engagement has intensified (time equals advertising revenue), they are themselves becoming publishers. Similarly, companies that started life as simple messaging apps – such as Snapchat and WeChat – have morphed into social networks. This convergence between social platforms and publishers is not just evident in the launch of initiatives such as Apple News and Facebook Instant articles, but also in Jeff Bezos' acquisition of the Washington Post and Amazon's foray into broadcasting. Pearson's partnership with IBM's Watson, an artificial intelligence computer system, to transform college education is another indicator of this push towards convergence. In the years to come, as we see more of this type of activity (Exhibit 8), the boundary between tech and media will disappear.

But it is not just the boundary between social media and legacy media that is disappearing. Social platforms increasingly compete to become one-stop shops, allowing users to manage social, financial and legal transactions, whether for banking, shopping or arranging transportation.[20] With the switch from communication platforms to service providers, social technologies will become fully ingrained in the fabric of business and culture, acting as the gateway for an array of products and services from every imaginable industry. So, as car manufacturers compete to provide the best infotainment systems and fashion retailers become media outlets,[21] the competition to 'own' the direct relationship with users will intensify and spur new entrants to the world of content production. As a result of this, media companies will no longer just be competing with media companies; new entrants may spring up from a whole host of industries. Running a successful media business is likely to become much more dependent on striking and managing partnerships up and down the digital value chain to keep pace with the rate of innovation.

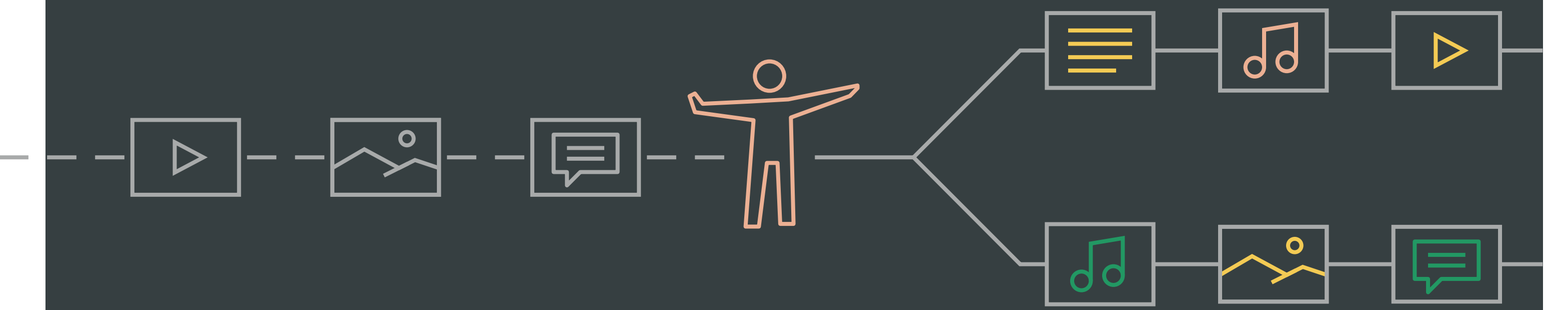


Why these trends are wrong

_ We acknowledge that for each of the eight forces described in this section there are counter-trends. Music may be delivered through streaming services, but vinyl record sales are in fact at a 28-year high.[22] Digital readers may be popular, but physical book sales are actually up, partially owing to the popularity of adult colouring books.[23] Most of our snaps may be digital, but Polaroid is successfully staging a comeback.[24] Social platforms may be counting their users in billions, but 'living offline' is allegedly the new status symbol.[25] Some of these counter-trends may prove to be mere blips in the grand scheme of things. Others will be more powerful and persistent. In this report we set out what we see as clear markers of a certain direction of travel for the sector. In doing so, inevitably we lose out on developments that are not mere nuances, but important markets, risks and opportunities in their own right. Time will tell to what extent we got this wrong.

FORCE 5

Partnerships and alliances will dominate how business is done



_ Most media companies now publish content through multiple platforms and channels, in many cases giving up control to partners in the digital value chain. 2015 and 2016 have been characterised as the "years of the platform",[26] but what is it that makes these platforms, and the 'Frightful Five' more generally, so dominant? They have each built several enormous technologies that are central to just about everything we do; the basic building blocks on which every other business depends. Because their platforms are so strong—flush with cash, users and data—they can push into other industries such as media and entertainment, as well as whole new realms, e.g. drones, driverless cars and virtual reality (VR).[27] It is not that their power necessarily prevents other (media) companies from becoming huge but if new giants of the digital economy come along, they are likely to stand alongside the Frightful Five, not replace them.[28]

Media companies, news organisations in particular, have realised that to reach younger readers and viewers, they have to distribute their content through social networks. This is called syndication, and publishers do it to varying degrees. As a result, platforms now increasingly act as gatekeepers, controlling the pathways to media content. In balancing the desire to reach greater audiences (and advertising revenue) with giving up control, media companies face two risks:

- Firstly, does the intermediation of a platform compromise the business model, i.e. subscription, advertising or other revenue streams?

- Secondly, does it compromise brand distinction, i.e. do media companies' brands disappear when their content is served through a homogenised platform?

To illustrate the nature of the challenge, a simple tweak to Facebook's content algorithm could change the news habits of 1.6 billion (and counting) users in a matter of seconds.[29] Previous changes to the algorithm have seen referral traffic to publishers fall by 75% in the span of days.[30] Fluctuations of this magnitude can and will bring cash-strapped publishers to their knees. Faced with such prospects, what would have been unthinkable just a few years ago has become a commercial imperative: work with your competitors to achieve scale or face an uncertain destiny at the hands of someone else. Martin Sorrell of WPP, for example, has proposed an alliance between traditional media owners such as 21st Century Fox, News Corp, Comcast and others to pool advertising inventory and fend off competition from Facebook and Google in the television ad market.[31] Newspaper operations are progressing similar objectives[32] and other media categories will no doubt follow suit, pooling resources not just to create larger blocks of ad inventory but to set up their own digital platforms. This direction of travel indicates that the line between partners and competitors is becoming ever thinner. The concept of 'frenemies',[33,34] describes "neither friends nor enemies but rivals seeking a certain degree of compatibility to extract more value from consumers than they would on their own". Successful media companies of the future will know how to make partners (friends) of competitors (enemies), striking up collaborations within a more fluid, messier media landscape.

However, the 'frenemy' scenario is not just about achieving scale. In the transition from physical to digital operations, the barriers to entry have collapsed. As the universe of digital media content expands, there is a big opportunity for small and big companies to establish niches of expertise that established companies cannot afford to ignore. Search? Analytics? Conversions? Discoverability? The need for external expertise and collaboration poses one of many challenges to the vertically integrated media group. In addition, media companies will continue to develop new propositions and revenue streams by engaging directly in corporate venturing and incubator activities.[35] Such activities will become even more imperative when the hardware through which we access media content takes a turn towards the personal, immersive and experiential.

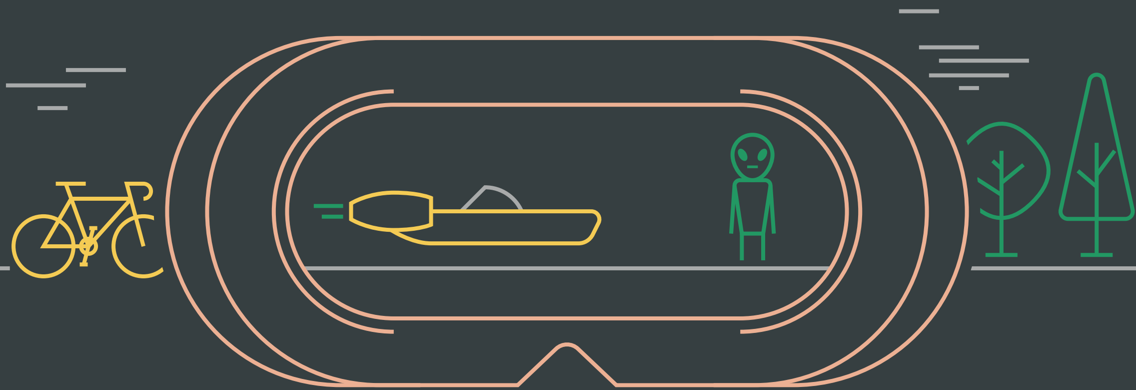
FORCE 6

The personalisation of everything

_ The combination of cheaper, more effective processing power, advances in machine learning and the proliferation of internet-enabled devices is taking us into new territory. Until now, our needs and desires to listen to music, read books, go shopping, play games, watch films, monitor our health, keep track of our diary and communicate with friends and colleagues have largely been met by different devices and services. In the future, something akin to personal virtual assistants will provide a single interface for managing our personal and professional lives. Take Amazon's Alexa as an example. Alexa is a cloud-based set of services that run, in theory, on any connected device with a microphone built in, be it a phone, speaker, fridge or car. Users interact with Alexa through voice commands, enabling them to play music, set an alarm, order a pizza, etc. Each of these functions is called a 'skill'. By September 2015, it (she?) had 14 skills. By the end of 2016 she had over 5,000,[36] linking her users with the services and features of Uber, Domino's, Spotify, Fitbit and many more. Alexa is a prime example of a machine learning platform; always getting smarter and dynamically adapting to speech patterns, vocabulary and personal preferences. The rise of intelligent agents or bots – Alexa is an example of a bot, as is Apple's Siri – and the internet of things spells the dawn of an era of personalisation and intuitive human-machine communication. Voice searches (as opposed to text searches) have risen 35-fold since 2008.[37] Some have dubbed this "the conversational era" and predict it will be as revolutionary to user interfaces as the iPhone or the original Mac.[38] For media companies, these developments open up major opportunities and risks. How do you ensure stickiness in a world controlled by algorithms beyond your control? How do you differentiate your brand when content is channelled through a bot? How do you select delivery platforms without getting 'locked in'? What will content delivery look like in a post-browser world, powered by artificial intelligence?

FORCE 7

Reality check: forget everything you know about interacting with media



_ When we think about digital media consumption, we think about screens. Using those screens, we have gone from manipulating text through keyboards to multi-touch, sensory experiences centred on images and video. What is next? The next frontier will be the interface between us and everything around us, not just media. It is worth paying attention to two emerging and closely linked forms of technology in particular: Augmented Reality (AR) and Virtual Reality (VR).

- AR works by blending digital images with the real world. AR could become the universal interface: the gateway to all our digital interactions, blending in seamlessly with everything we do.

- VR, on the other hand, replaces the world around us with fully digital realities. It may never become as prevalent as AR, but it has the potential to transform storytelling by creating immersive experiences as we have never seen them before.

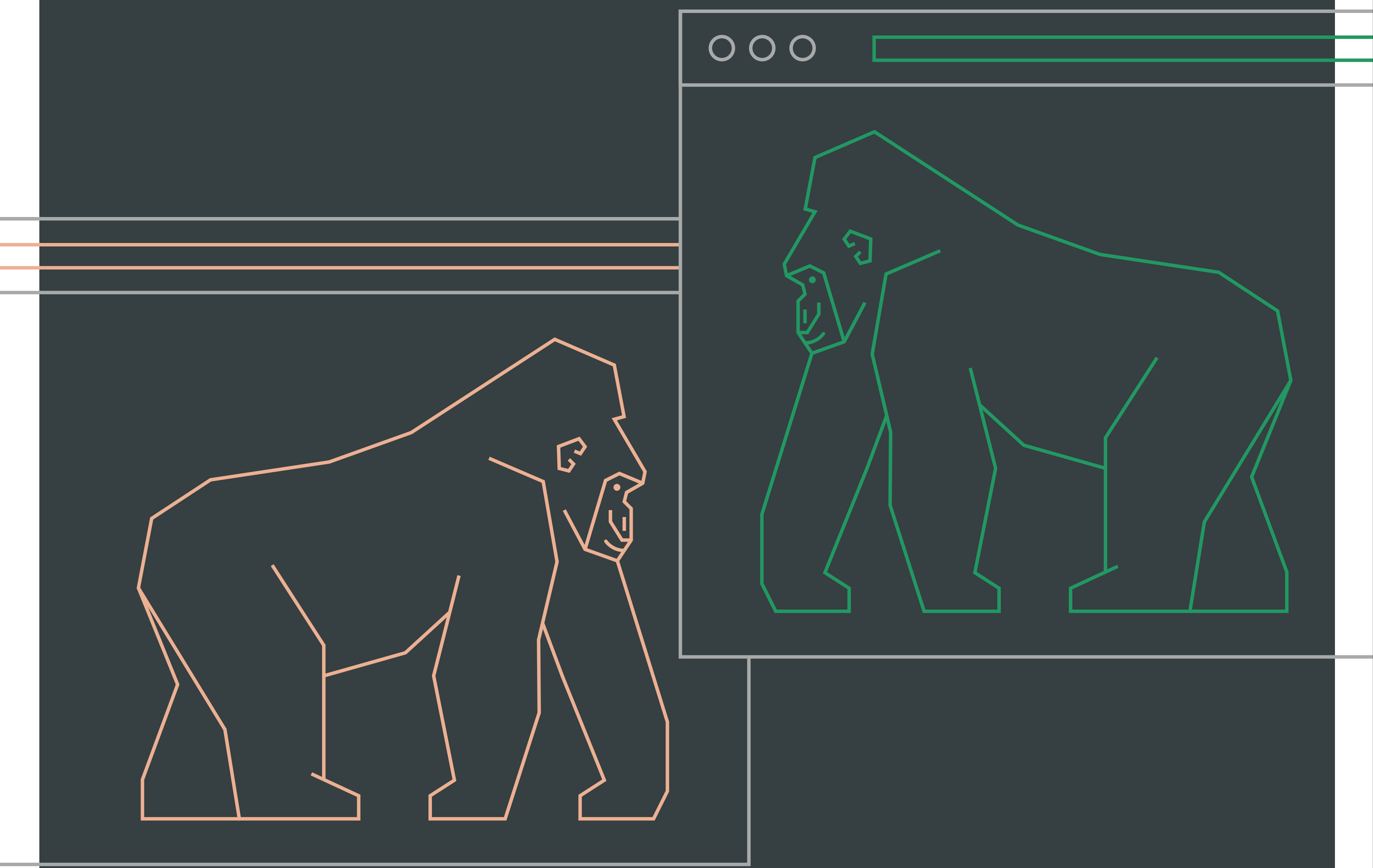
AR and VR have both been the 'next big thing' for a while, enjoying spectacular amounts of inflowing investment, and start-ups being snapped up by major tech companies. Everyone is afraid of missing the boat. Google Glass failed to launch AR as a viable, useful, popular technology, but the spectacular uptake of Pokémon Go was an early indication that things can take off quickly.

AR and VR are not just gadgets. They are set to become new mediums transforming how we interact with media. Once successful, they are likely to spawn whole new industries around hardware, marketing, content creation and distribution, again emphasising the need for media companies to embrace partnerships. For the media sector specifically, the rise of AR and VR presents a full on collision between content and technology. As noted by technology commentator Paul Teich, two of the fault lines will be around agency and immersion.[39] To date, media companies have been trading largely in fixed stories (books, photos, video, text or any combination thereof) and to a lesser extent exploratory stories (e.g. games and interactive features). AR and VR provide a medium for interacting with previously static media, shifting the agency towards users to explore digital worlds. Media content will increasingly shift from supporting 'fixed world' user experiences (reading a story, watching TV, listening to a song, playing a game) to enabling individuals to immerse themselves, at various levels, into digital and digitally imposed realities.

This in turn will open up ways of exploring media content. Specifically, computing interfaces will evolve from keyboards and touch screens to include voice, video and sensory input. Media content will play with our senses: 'Where are you, what are you looking at, where are your hands, who are you with and what do you want to do?'[40] Cameras may be the only visible input on the media devices of the future, but those devices will 'listen to' and analyse vast amounts of data in the background to offer a fully personalised experience. An experience that will at least partially be driven by advertising and advertisers chasing revenue through the currency of data.

FORCE 8

Advertising in everything: the *segment of one* coming of age



_ The production of data has skyrocketed at the same time as the cost of transmitting and storing data has plummeted (Exhibit 9). In short, we use many more devices, generating much more data, in much more connected ways. For advertisers, this opens up new opportunities. Global spending on digital advertising is set to grow 12.7% compounded annually to 2019, eclipsing TV as the main destination of spending by 2018. Following these projections, television and digital will be the biggest advertising categories by some margin, together commanding three quarters of all media advertising spending by 2019. While this is good news for at least some digital media businesses, consumer magazines and newspapers will see their declining share of advertising diminish even further.[41]

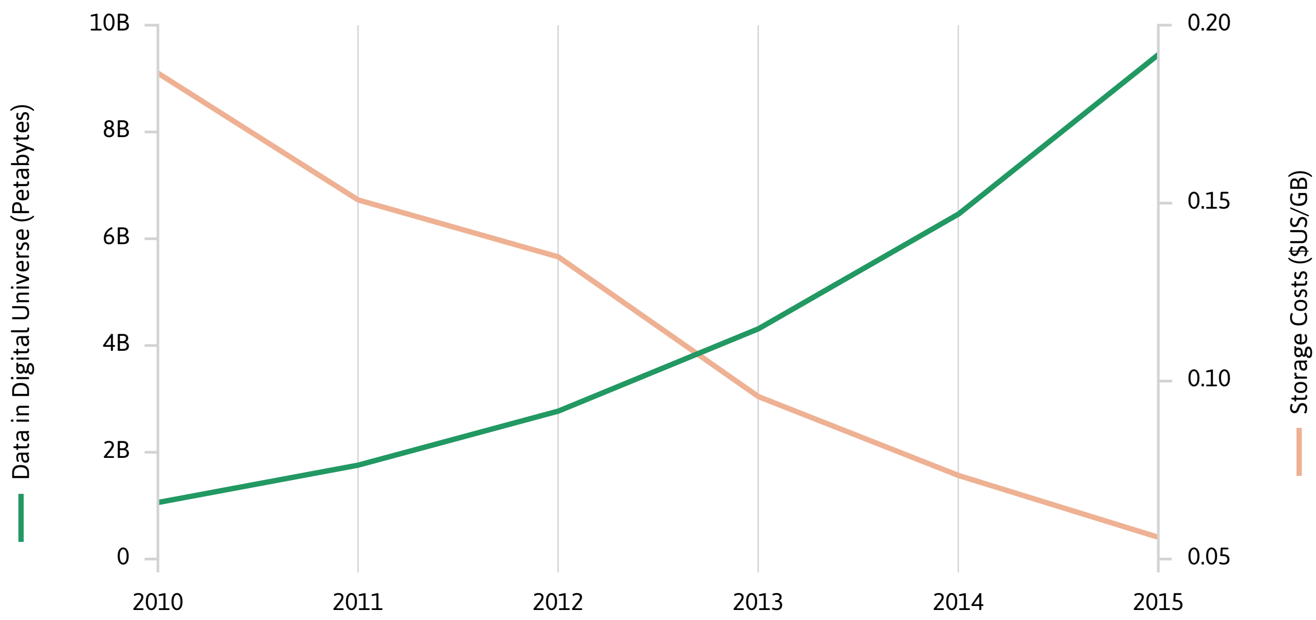


Exhibit 9: Data in Digital Universe vs Data Storage Costs 2010-2015 (adapted from Mary Meeker's Internet Trends Report 2016, p195)

Advertisers pin their hopes on the prospect of added personalisation and better targeting. The potential number of data variables that can be used to personalise content is increasing and will continue to increase. Location? Check. Age? Check. Financial status? Check. Occupation? Check. Health? Check. Relationship status? Check. Media preferences? Check. And so on. Using this data, combined with sophisticated analytics capabilities, companies will effectively be able to advertise to customers at an individual level yet on a global scale. While 'segment of one'[42] marketing as a concept has been around since 1989, this is the era where it will come of age. Personal data then has become, and will continue to develop as, a precious asset.

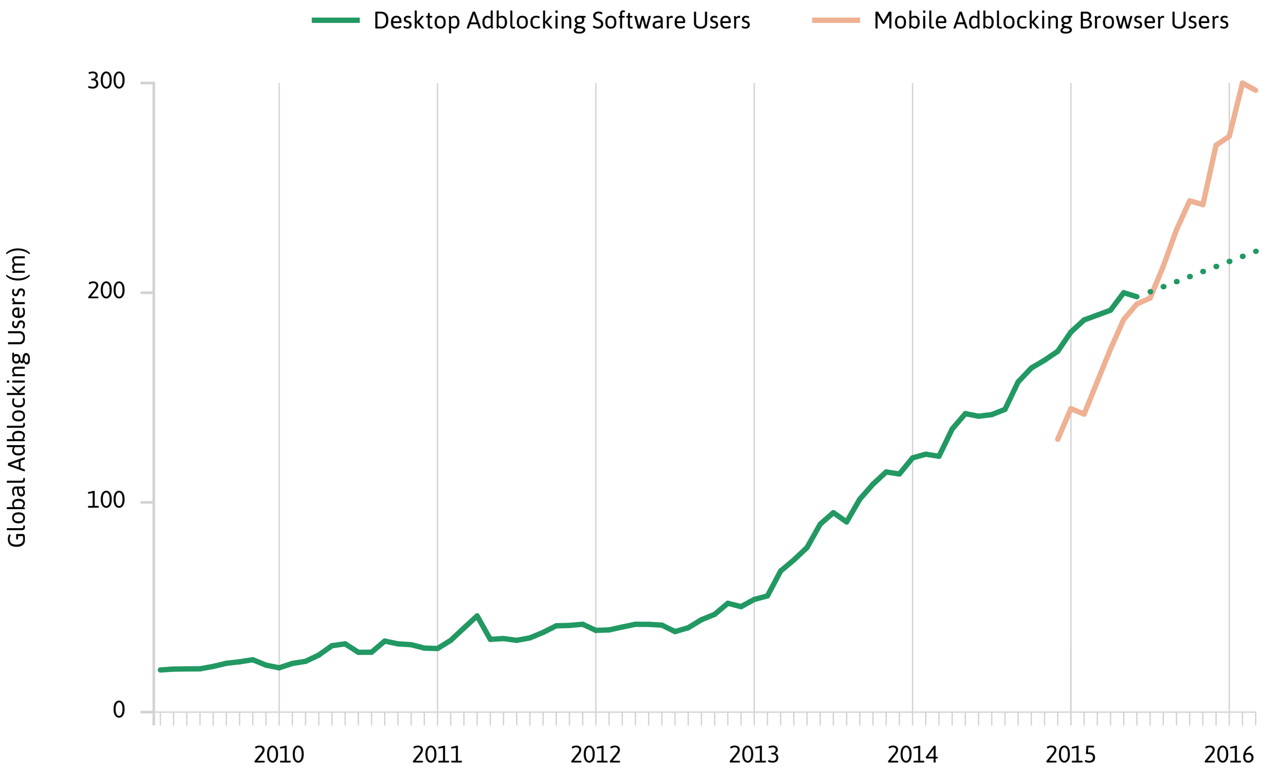
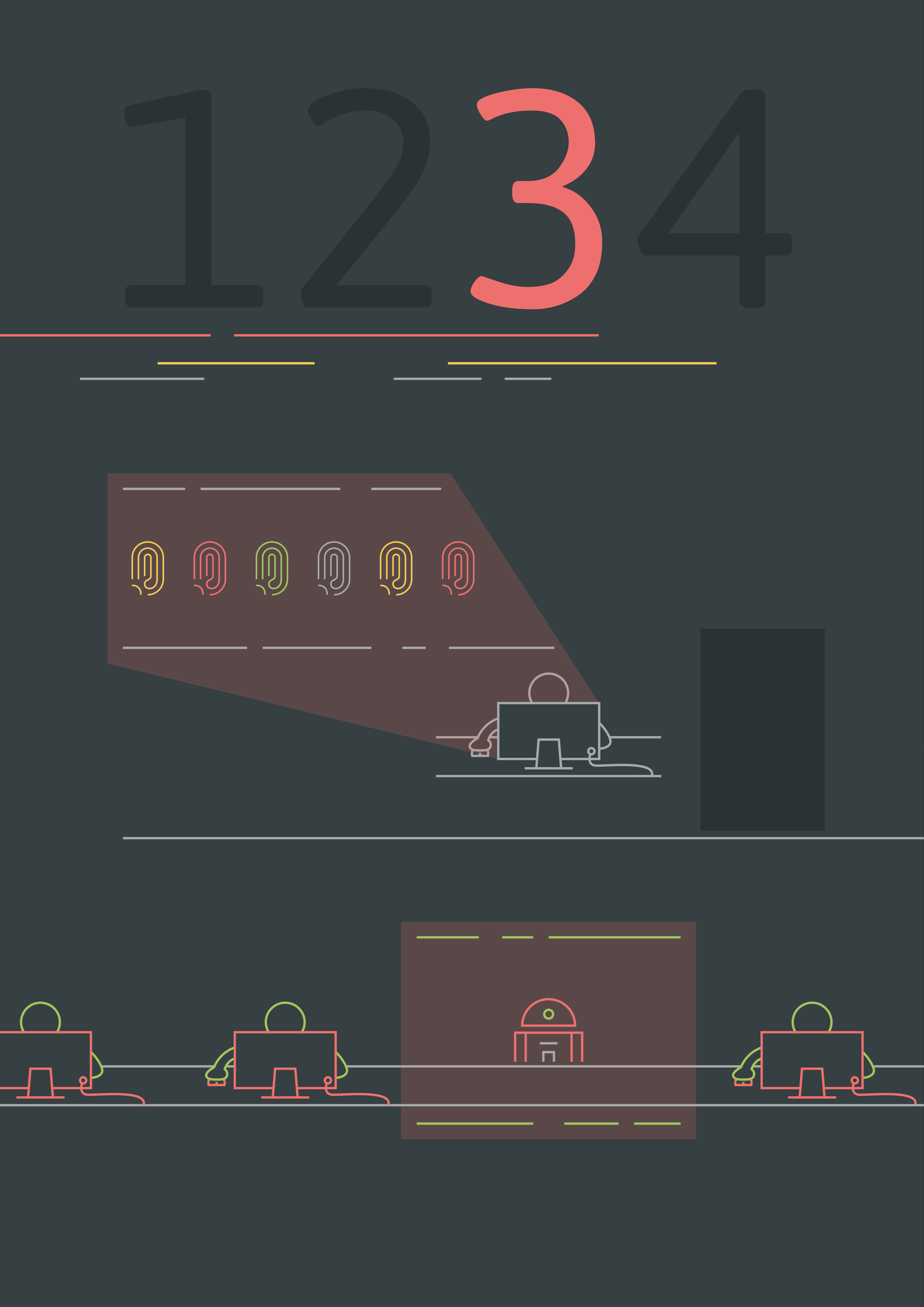


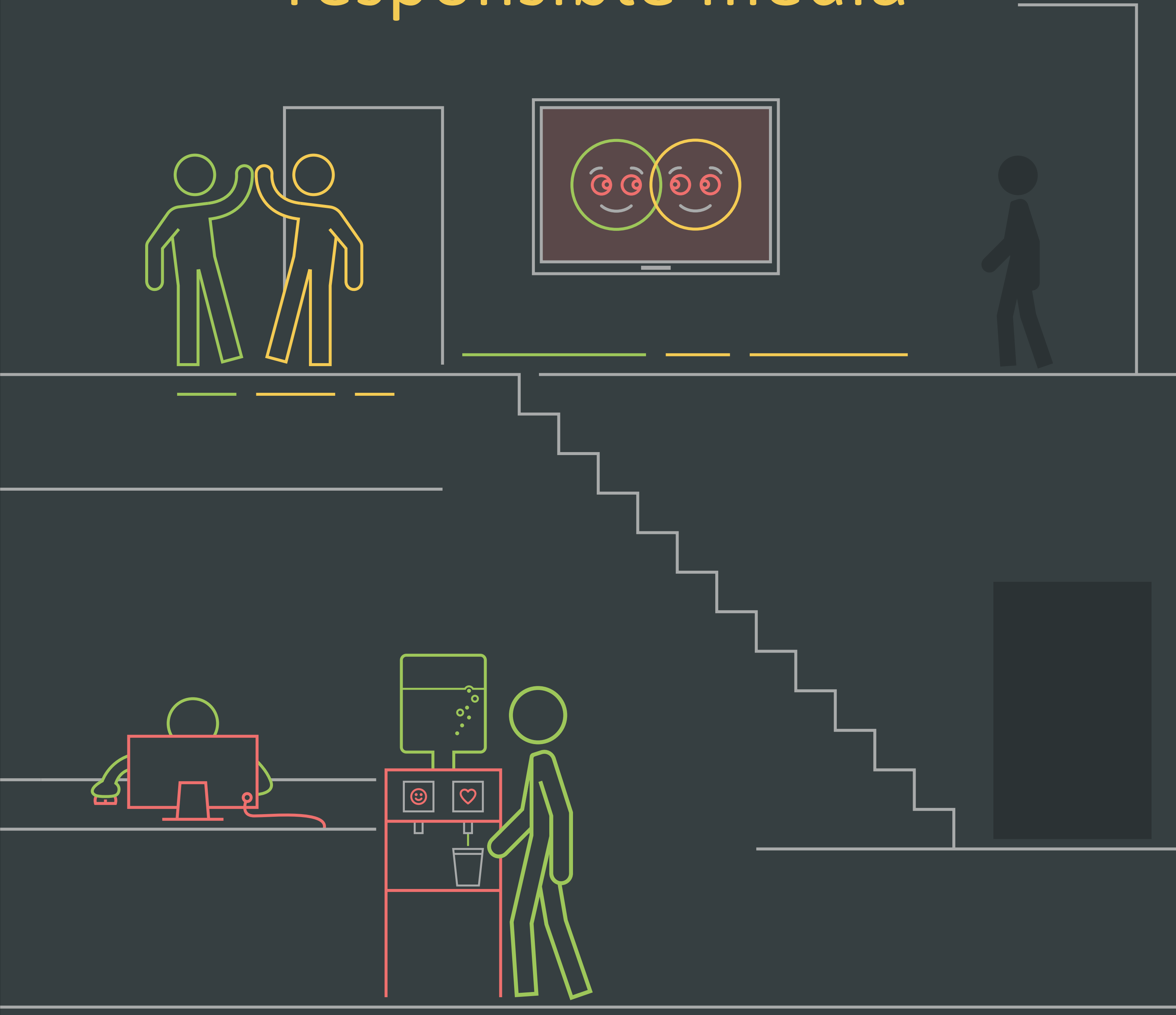
Exhibit 10: Global Adblocking Users

Source: Data kindly provided by PageFair, December 2016. Dotted line based on estimated data.

For media companies, the shifting advertising landscape comes with two challenges. Firstly, in parallel with advertising increasingly getting up close and personal, more and more users deploy adblockers (Exhibit 10), activate privacy control settings or simply do not respond to online advertising. We will explore this topic on pages 53–56. Secondly, where advertising spend in the world of mass media was generally evenly distributed, in the data-driven economy it tends to flow towards 'siren servers',[43] entities that suck all data and a vast majority of profits, putting traditional businesses out of business. Specifically, it flows towards Google and Facebook. Together, these two "800-pound gorillas in online advertising"[44] accounted for 75% of all new online ad spending in 2015, and recent industry data suggests they are much less exposed to adblocking than traditional media. In other words, for the foreseeable future, digital and mobile advertising looks set to be dominated and effectively controlled by two companies.[45] This is bad news for agencies, media buyers and publishers. Content publishers, in response, have branched out into new forms of advertising, e.g. by offering branded content alongside editorial content (also known as native advertising) or organising events with corporate partners. Noting that publishers have to be "incredibly sensitive"[46] in how they balance editorial and commercial interests, we fully expect them to lend their skills, reach and credibility – at a cost – to brands in the years to come.

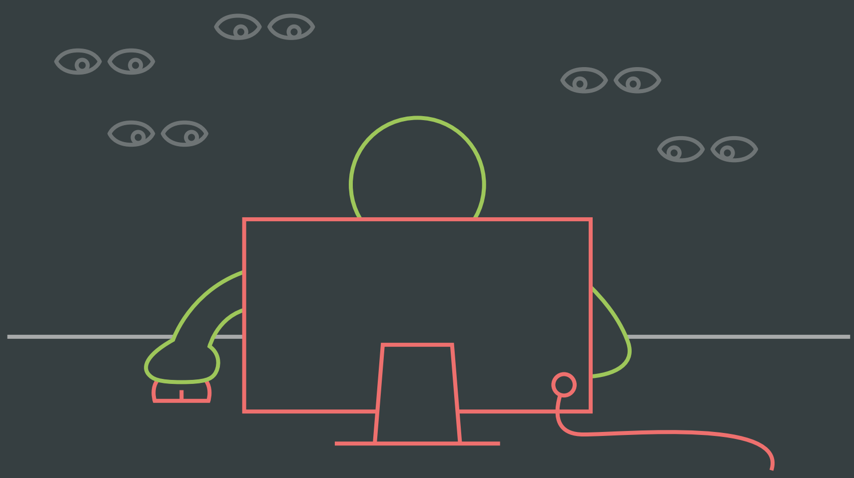

1234

The future of responsible media



The future of responsible media

In the previous two sections, we took stock of the state of CR in the media sector and then described eight forces that will transform the media landscape over the next 10 years. In this third and final section, we build on those insights to make informed guesses about the challenges we believe will keep media CR professionals busy in the future. Specifically, we believe that four interconnected challenges will dominate the agenda, the management of which will set apart ‘good’ media companies from ‘bad’ in the years to come. This is where it gets interesting.



CHALLENGE 1

The future of privacy

_ Privacy is, by various accounts, a relatively recent social construct. Notions of privacy derive directly from how we live and how we use technology: hallways (allowing people to close doors on their activities), central heating (removing the need for people to sleep in the same room) and cities (letting individuals become lost in the crowd) have all shaped our notions of privacy.[47] It has only recently become a business issue.

As we saw in the previous section, media companies are being driven to actively collect and use personal data. Devices will literally and figuratively, come closer to consumers – we will wear them, they will 'see' and 'listen' to us; at home, in our cars and next to our skin. They will know our past, sense our present and have a decent understanding of our future. From a media perspective, the upside is clear: delivering fully personalised and compelling content for the enjoyment of everyone. The downside relates to data ownership and privacy.

Our research to date[48] – and that of others[49] – suggests that data protection and privacy already pose financially material risks to media companies. Yet unlike other material issues, company responses have been confined largely to reactive measures such as compliance frameworks, checklists and awareness raising. Put bluntly, data privacy remains 'someone in IT's' job. There is a sense that privacy is better ignored. Even among sophisticated investors, current approaches to assessing privacy and cyber security capabilities are outdated. A typical 'ask' is around the budget dedicated to cyber security and the processes in place to mitigate risks.

This lax approach will not last. The question is whether the change will happen as a result of the sector becoming voluntarily more enlightened or whether it will be imposed as a result of an external tipping point, such as public mood, or regulators. To date, aside from the occasional blip and despite three in four people limiting their online activity due to privacy concerns,[50] there has been a distinct lack of customer pressure and informed public debate.

Pew Research Center, an American think tank, asked over 2,500 of the world's foremost internet and privacy experts how privacy will develop over the next decade. Specifically, they asked, will we see the emergence of a 'secure, popularly accepted and trusted privacy-rights infrastructure, balancing business innovation and monetisation with individuals' choices regarding data protection'? Over half of the respondents (55%) said 'no', while 45% said 'yes'. A very divided verdict indeed. The accompanying report, while interesting to read, contains 67 dense pages of qualitative responses, exhibiting more divisions than common threads.[47]

Understanding the future of privacy is difficult because it has no end point. It is as much about emerging cultural, social and economic norms and expectations as it is about technology. As we become more embedded in the data economy, privacy matters do not lend themselves to being 'solved'. Overall, the task will be about defining and managing a tolerable equilibrium between commercial interests and privacy concerns, between flexibility and robustness, between maintaining control and inviting others in. Within such a scenario, articulating the 'business case' for added privacy, let alone constructive corporate responses, is far from trivial. Companies serious about the issues will need to weave privacy capability into 'how business is done', empowering internal functions, business partners and users decentrally while acknowledging the importance of it at the most senior levels. From an enterprise perspective, the future will see more intelligent approaches combining AI with reach across whole digital ecosystems akin to digital immune systems. Rather than being told what to look for, such systems will employ learning algorithms to develop a real-time understanding of what 'normal' looks like and then flag up unusual behaviour whenever it is encountered (see, for example, Darktrace[51]).

At the same time, at the individual level, users will gear up their own defences, with personal data management gradually becoming a distinguishing feature of new devices and services. This will happen in combination with users wanting to cash in on their 'own' personal data in what

> It does seem staggering that around $75.4bn will be spent on cybersecurity in 2015 but most people will not be able to tell when someone is inside their network.

Nesta, building resilience against the cyber security threat

has been described as the B2Me economy: "a future where people are agents of their own information choosing which brands they rent their data to."[52] It is likely that future media products and services will fail or succeed depending on how compatible they are with the identity management preferences of target users. As noted earlier, already we are seeing users effectively undermining the business models of publishers by using adblockers. Their reasons for doing so should provide food for thought. According to a World Economic Forum report,[53] consumers using adblockers highlight three concerns fairly consistently across geographies and demographics:

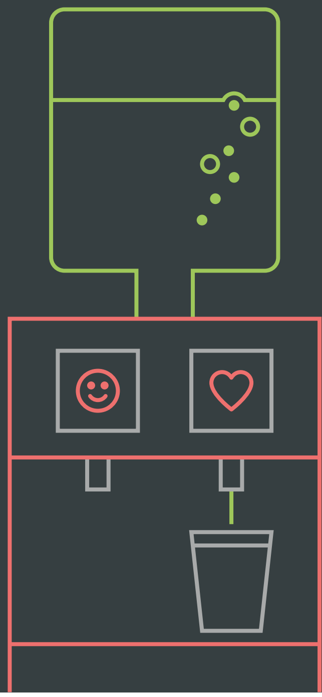
- A desire to be in control of the marketing content served, i.e. 'pulling' information rather than having it 'pushed' by marketers;
- A rejection of having online behaviour tracked without fully understanding how the data is ultimately used; and
- A growing awareness of personal data's commercial value to businesses.

The findings are consistent with another survey, asking users to rank the ways in which companies interact with personal data. Topping the list of concerns was 'if/how they sell my data' (78%) followed by 'where they keep my data' (73%).[54] The findings suggest that currently users are not concerned with sharing personal data per se, rather they have reservations about staying in control and feeling short-changed in the value exchange that happens online. An obvious response would be to empower users via a combination of privacy tools, incentives, added transparency and consent. However, as data and privacy expert Colin Strong points out, simple transparency and control measures are a red herring. To date, consumers have not been equipped to determine what their preferences are and how these translate into tangible actions that they undertake online.[55] He refers, admittedly with reservations around the validity of the exact calculation, to research indicating that it would take the average user 76 days to do the due diligence for all the websites that they use in a year.[56] In the face of such complexity, consent is clearly meaningless. So, what should media companies do to futureproof their approach to privacy?

The honest answer is this: no-one knows with any certainty. What we do know is that corporate responsibility functions, particularly in industries outside of media, have a long track record of listening to weak signals, engaging with a wide group of stakeholders, balancing commercial pressures with emerging risks, and devising strategies for coping with them. These are exactly the capabilities that will be needed to orchestrate meaningful responses to the issue of privacy. If there ever were an opportunity for corporate responsibility to step up and become a more strategic function in media companies, privacy is it.

CHALLENGE 2

Coming to grips with being movers



_ The second challenge facing media companies is as fundamental as it is complex. We started this report with an anecdote: companies in the extractive sector dwarf their media sector peers by a factor of 143 when it comes to GHG emissions. What if media companies are 143 times as impactful as mining companies, and perhaps most other industries, when it comes to changing behaviours and setting the tone in society? Well, they probably are, it is just that their impacts are not as visible. The *Mirrors or Movers* report[3] pointed towards the enormous influence media companies exercise through their content, be it through data, advertising, news or entertainment. When analysed through the lens of CR, media's content is probably its biggest effect on society.

The choices of editors – and increasingly content algorithms – have subtle but profound effects (Exhibit 11). They silence or amplify voices, making climate change deniers seem bigger than they are, or hiding shy Brexiteers. Journalists' interviews bring the hidden to light while fiction asks questions about how our future might be. Programmes inspire us to action and campaign for causes. Media can even normalise, marking the coming of age for new issues or the redefinition of old ones. Responsible media companies have in their hands powerful tools to make society better. Every campaigning organisation waits hopefully for its moment in the media frame to raise awareness and promote its cause. There is a persistent cry that if the public knew more about (insert cause here – conservation, science, cancer symptoms, homelessness, mental health...) we could change the world for the better.

Questioning

Challenging existing practices and structures in society, highlighting adverse effects and bringing to light hidden information which leads to subsequent changes in policy or behaviour.

Campaigning

Deliberately taking a partisan stance on an issue, topic or product with the explicit aim of selling, changing behaviour or raising money.

Inspiring

Stimulating action via changed perspectives, alternative futures or by highlighting different ways of behaving.

Exhibit 11: The six modes of media influence (taken from Mirrors or Movers)

Silencing

Ignoring or restricting voices on certain topics, events or groups, knowingly or not with the effect of creating a particular representation of society which differs from the reality...

Amplifying

...or, conversely, giving disproportionate voice to or coverage of certain topics, events or groups, again creating a particular representation of society which differs from the reality.

Normalising

Introducing or legitimising forms of behaviour that may otherwise be unknown or marginal.

And yet there are very real obstacles. The bandwidth of the human brain, the remorselessness of a 60-minute hour and, of course, the imperative of audience objectives mean that editors will always have to choose. Something will always be left out. Audience tolerance for nannying is very low, and arguably falling fast. The principles of editorial independence and creative freedom are hard won, and protect society from the undue influence of proprietors and governments; do we really want to sacrifice it in the name of CR?

Mirrors or Movers stopped deliberately short of defining a manifesto – for all the reasons above, plus the formidable difficulty of writing a generalised prescription for all media types and topics. It did, however, start a conversation which gains volume; listen to the US in the Autumn of 2016 and we hear angry voices asking about the role of media in truth, trust and identity. From Brexit to Trump, 2016 has been characterised by frustration vented not so much at what has been reported in the media but the role of media companies themselves. Perhaps the best we can ask for is that companies take a reflexive stance; consciously and continually evaluating their practice. The prominence of content in CR reports, as shown in Exhibit 1, suggests this is happening.

But pity the poor editor, for no sooner do they learn to evaluate themselves against the six modes of influence (Exhibit 11), than the rules change. If we were writing *Mirrors or Movers* today, we would have to ask:

- Are we living in filter bubbles,[57] exposed only to content curated by an algorithm to trigger our emotions and engage us on a personal level? As more content is delivered by social media platforms, the curatorial role of our friends or Facebook's algorithms become more significant than the decision of national editors.[58] As a result, we can live in a cocoon of matching opinions. It is not a stretch to imagine that this contributes to the increasing polarisation of politics which we see in its most extreme form in the US. Do media companies have a responsibility to expose us to things we do not like?[59] Is that even possible in a world where we are served content from 1,000 sources? How can the media take up its historic place as the custodian of genuine national conversations?

- Are we deconstructing our social contract? In general, we want our media to be truthful, at least when taken in the round. So for every thesis, we want the antithesis. We are faced with too many immigrants/here's someone who says that immigrants are essential to the country. We need to consume less to save the planet/up pops an economist who emphasises the link between consumption and economic growth. It is unbiased, true, but it is also unresolved. Is immigration a blessing or a curse? Should we consume less? We are left with the impression that it depends who you ask. And that in turn can lead us to suspect that, at a deep level, there is no answer. Everyone has an agenda, and there is no one left to trust. It is under such circumstances – and fuelled by business models that rely on crude engagement above anything else – that the manufacture and spread of false news become a headache for democracies and companies alike.[60]

Media companies might be having a torrid time, but they remain the closest thing we have to a national water-cooler. Arguably, they are our clearest mirror and our greatest teachers. With these critical functions comes enormous, undefined and ever changing responsibility. And with so many new entrants to the world of publishing and distribution – be they social platforms, brands or agencies – that responsibility will be shared more widely. Whether they like it or not, this new breed of publishers will need to own up to their role as movers in society. The argument that algorithms absolve publishers from content responsibilities is crumbling fast.[61] The issue of responsible content is here to stay.

CHALLENGE 3

Media companies must become organisations without walls

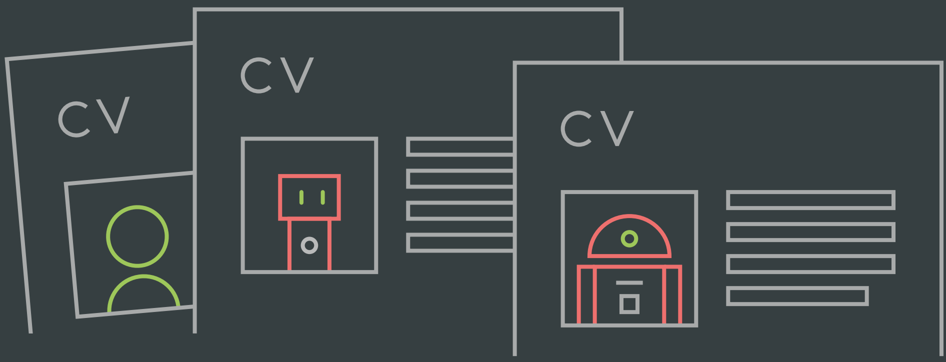
_ Will media companies become more like Uber? Rather than controlling fixed resources across the value chain, will they retreat to core functions such as curating content, overseeing quality and maintaining a strong brand? We think so, and the reorganisation is well underway. In the US alone, the newspaper workforce has shrunk by about 20,000 jobs, or 39%, between 1994 and 2014.[62] Enabled by technology, the 'transaction cost' of using an outsider to do something (as opposed to keeping that function within the company) is falling, and will continue to do so across many industries.[63] This will create a much more fluid business environment, where jobs previously done by media companies will be pushed back on to partners, be they individuals or companies. Partners already develop content; they will do more. Partners already provide networks; they will do more. We have already seen the importance of platform partners, and we have hypothesised the need for peer-group 'frenemies' to maintain scale. The wider challenges media companies face – social mobility, responsible content, employee purpose – all demand partnerships. The media company will become a node in a network, a small slice of a long chain, an idea, a brand...

This comes with consequences for everybody, three of which are particularly pertinent from a responsible business perspective:

- THE COMMUNITY ANGLE The added emphasis on partnerships will seep into media companies' thinking around community programmes, accelerating the end of an era of shallow community partnerships. 'What is in it for us?' will be the guiding question and not a mere afterthought, as is often the case today. The line between commercial and community partnerships is likely to disappear altogether, creating a need to define and articulate in advance the desired outcomes of any partnership and delivering measurable value. Already media companies (quite properly) ask questions about the commercial value of social partnerships. In the future they will consider the social impacts of their commercial partners.

- THE CONTROL ANGLE To date, media companies have exercised great influence over their value chains. But in the scenario described above, those value chains will become more complex and splintered. It will become increasingly unclear who 'owns' the social and environmental risks. How do we protect users' privacy when we don't hold the data? Which human rights matter most to us and do our partners share this view? How do we live up to content responsibilities once content has been shared are re-shared? Companies will need to develop a patchwork of approaches to map, prioritise and manage these and a hundred other risks. Conventional off-the-shelf supply chain solutions – audit and monitoring – will not work in most of these cases. It is hard to audit a partner who is 10 times bigger than you and 100 times more powerful. An analogy can be found in the pharmaceutical sector, where changing business models have led to the kind of complex value-chains predicted for media. Drug discovery, development, synthesis and manufacture are all outsourced, often to other huge pharma companies. The sector has had to come together to define common standards, share information and talk collectively to stakeholders.[64]

- THE MEASUREMENT ANGLE Just as the media sector got a handle on the environmental impacts of its traditional business operations, digital came along. Book publishers can trace their paper back to its forest source. Broadcasters know the carbon hotspots in programme-making. Newspapers routinely report on their distribution footprints. Yet there has been remarkably little progress on measuring let alone managing the environmental impacts of media companies' digital operations.[65] Indicatively, for a company like Guardian News and Media, around 19% of its total GHG footprint stems from digital operations. The issue is not just that digital operations make up a significant proportion of media companies' footprint. As we saw in the previous section, it is that entirely new technologies such as AR and VR will come on stream. The digital eco-system is developing at breakneck speed, and the tools needed to monitor the environmental impacts of those developments simply do not exist. One of the complicating factors is the attribution of GHG impacts: Who 'owns' the GHG emissions in the media value chain? Is it the publisher, the data centre, the internet service provider, the smartphone manufacturer, the user or all of the above? Experience tells us that when it comes to the attribution of responsibility for negative impacts, campaigning organisations care little about such fine distinctions and tend to call out the bigger brands. In this context, those bigger brands might turn out to be media companies. This is an area where individual companies can do very little; only a sector-wide response can bring about the tools and standards needed to measure GHG emissions consistently.



CHALLENGE 4

Get with the programme: managing the workplace of the future

_ Questions around if and how machines will compete with humans in the workplace proliferate. Some have argued that the sheer increase in productivity and economic abundance will eliminate the financial need for humans to work.[66] Others have argued that, as automation replaces more routine or repetitive tasks, employees will simply gain more time to focus on tasks that utilise creativity and emotion.[67] Either way, it is worth thinking about what the road ahead might look like in media companies.

On the one hand, as we have become used to handling banking online and paying non-human check-out assistants for our groceries, bots and machines will expand rapidly into work areas previously occupied by people. Functions characterised by routine, repetition and prediction, including in roles such as data analysts, sales advisors and call centre workers, will be the first to go. Media companies, particularly ISPs and those in advertising, will have some tough choices to make as humans become the premium option. Research indicates that 47% of US jobs will be threatened by automation over the next two decades.[68] For the media sector specifically that number is lower, but it is still estimated that, measured by time, 36% of tasks within the sector can be automated.[69]

On the other hand, there are and will be significant gaps emerging as the job market is unable to provide the critical skills needed to deliver on and develop digital strategies. Technology has washed away specialism; media organisations are now competing with many more industries for talent (in critical roles). So how do they win?

> My father had one job in his life, I've had six in mine, my kids will have six at the same time.

Frédéric Mazzella, entrepreneur

Media companies will need to rethink existing notions of 'progression' and 'hierarchy'. They will have to cater to a new generation of in-demand workers who demand more collaborative and flexible working environments, while offering little in return by way of loyalty.[70] Speaking of loyalty, media companies will have to think more carefully about articulating the link between employees' jobs and the role of the company in society - its purpose. Do employees feel they are doing good work? Does it allow them, in Steve Jobs' famous words, to "put a dent in the universe?" Notably, several people interviewed for this report noted that perhaps the biggest difference between tech and legacy media companies is the mindset of the employees. Google's mission "to organise the world's information and make it universally accessible and useful" and its 'moonshot' projects, for example, sustain the idea of a company formed to deliver societal benefits (and make a healthy profit in the process). Successful media companies of the future will be able to clearly articulate their purpose in society; one that is linked to their core business and one that all employees can buy into.

Ambition and intelligence are widely distributed across society, but jobs and career progression opportunities are not. Most companies, media included, have faced repeated calls to become more open. In response, companies have invested significant resources into improving diversity and equality. But they are still falling short. An admittedly old longitudinal study of over 700 U.S. companies found that implementing mandatory diversity training programmes had little or no positive effects.[71] Critically, more recent research shows that millennials (those born between 1980 and 2000) see diversity through a completely different lens. They see it in terms of collaboration and open participation from individuals with different ideas and perspectives, rather than a matter of representation and equality: a business environment that successfully integrates people from different demographics into one workplace.[72]

In short, a generational rift is emerging between those who value diversity per se – particularly cognitive diversity – (millennials) versus those who see diversity largely as a matter of controlling bias, e.g. providing fairness and protection of all employees. The rift is important because millennials already make up the largest share of any generation in the US workplace and will continue to grow.[73]

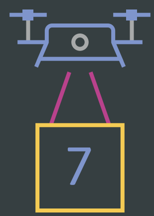
So when it comes to increasing diversity in organisations, which efforts actually succeed? The findings are clear. Companies do a better job of increasing diversity when they depend less on control tactics and more on positive engagement and framings. The companies managing diversity most successfully have three things in common:

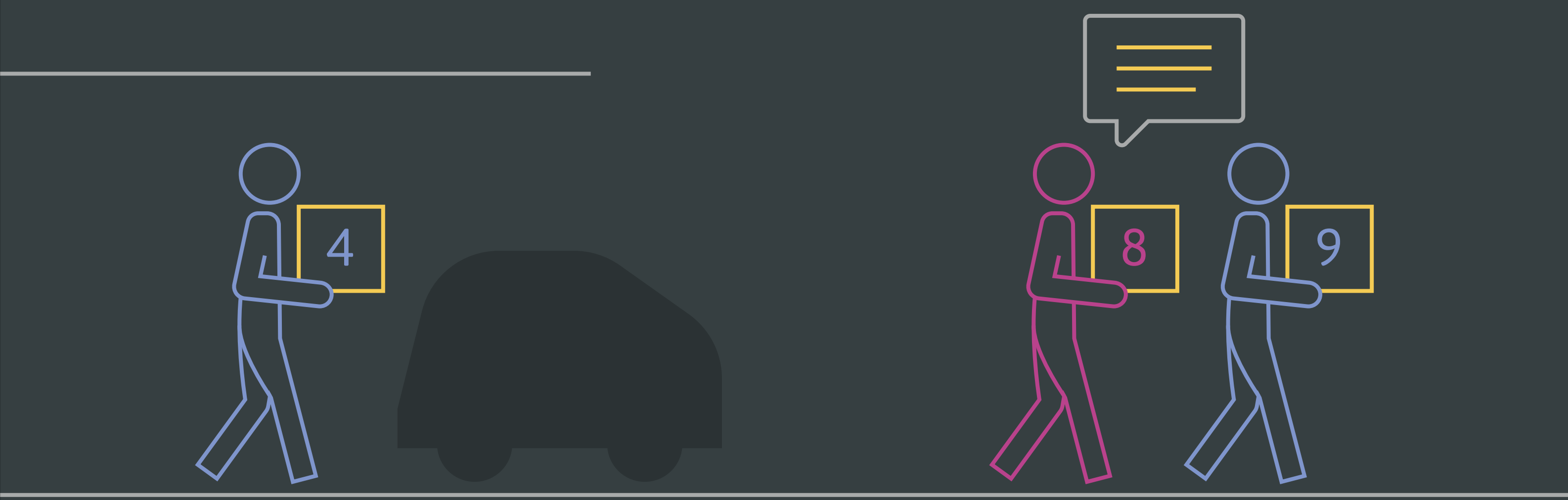
- They spark employee engagement through voluntary rather than mandatory initiatives (e.g. mentoring);
- They increase contact among different employee groups – there is no substitute for working side-by-side when breaking down stereotypes (e.g. self-managed teams and rotating placements); and
- They encourage social accountability, building mechanisms to increase transparency and thereby tapping into people's desire to look good to others (e.g. diversity task forces, openness about diversity performance down to the level of units/departments).

It is not just the changing preferences of millennials that drive the future need for inclusive media companies. The digital revolution, with its proven potential to disrupt job markets, could fuel a growing gap between "low-skill/low-pay" and "high-skill/high-pay" workers. Already incomes have stagnated, or even decreased, for a majority of the population in high-income countries.[74] In such a winner-takes-all economy, the onus will be on media companies not only to provide opportunities to people from any background, but also to portray, challenge and cater to media users across a growing socio-economic divide.


1234
2
3
1

What does it all mean?





What does it all mean?

Sections 1, 2 and 3 sketched out where the sector has come from, where it is going and what the implications are from a CR perspective. In this final section, we bring those insights down to earth by asking the question, what does it all mean? Here we are interested in drawing out lessons for individuals rather than companies.

We believe that 'good' media companies of the future will need CR professionals who:

1 Recognise that modern corporations must take a position on 50 CR issues but can only be famous for two or three

2 Act as internal consultants, unlocking energy, talent and resource from other functions to implement programmes and deliver against social, environmental and commercial objectives

3 Scan the horizon for emerging risks, drawing extensively on external views and insights

4

Seek out and develop strategic partnerships with third sector organisations, effectively ‘piping in’ the views and knowledge of those affected by company impacts

5

Are able to communicate and quantify the impacts of company products, services and programmes

6

Understand how business models are changing, engaging with the colleagues driving those changes and helping them think through societal impacts

7

Engage with colleagues dealing with privacy, widening the conversation beyond only technical and compliance concerns

8

Frame CR issues in a way that excites colleagues with content and creative responsibilities, translating jargon and technical lingo into meaningful propositions

9

Partner with the HR function to identify and act on the changing expectations of the workforce and articulating what purpose means across the organisation

For the past 10 years, the big thing in sustainability has been the "buy-in" of stakeholders, particularly senior management and colleagues. But buy-in alone is not enough. Buy-in is passive and superficial, preferring others to take care of something for you, and not blocking any efforts. For the next 10 years, I think, the main thing that will keep me busy is making senior management and colleagues truly engage with the issues at hand rather than tacitly support them. Because the time where I could achieve my main goals with just buy-in are gone. I need engaged leaders that play an evangelical role in explaining and pushing for change, and I need engaged people that understand what we are trying to change in our business model and industry. This is more than buy-in, this is engagement.

Frank Krikhaar, Global CSR Director, Dentsu Aegis Network

My hope is that my next 10 years will be taken up with what's important: finding the right balance between independence, honesty and influence. We have to recognise our sector's impact on the world whether we consciously direct it or not, and I want my time to enable our business to really extract value from helping our society and economy with its biggest challenges.

Ben Wielgus, Head of Sustainability, Informa

Over the next 10 years I believe my role will be about identifying material trends externally, communicating them widely internally and then devising appropriate organisational responses. I can't solve the challenges arising from complex issues as privacy or native advertising, but I have a sense of what's going on in the company and I can work closely with experts who can. In this capacity, I see myself supporting strategic conversations with investors on areas such as compliance and governance. In other words, integrating CR into how we do business, while communicating progress in innovative ways, will be my key challenge for the future.

Susana Gato García, Corporate Responsibility Manager, Atresmedia

Endnotes

1 Manjoo, F. (2016). *Tech's Frightful 5 Will Dominate Digital Life for the Foreseeable Future*. The New York Times, [online].
Available at: http://www.nytimes.com/2016/01/21/technology/techs-frightful-5-will-dominate-digital-life-for-foreseeable-future.html

2 This excludes people working in adjacent areas such as diversity and inclusion or in delivery roles, e.g. Sky Skills Studios.

3 Toennesen, C., Hodgson, S. and Mimmack F. (2013). *Mirrors or Movers? Framing the debate about the impact of media content*. [online] Media CSR Forum and Carnstone Partners LLP.
Available at: https://carnstone.com/insight?document=3

4 Schwab, K. (2016). *The Fourth Industrial Revolution: what it means, how to respond.* World Economic Forum, [online].
Available at: https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond

5 Digital media spending consists of spending on broadband, over-the-top (OTT) transactional digital video, OTT subscriptions digital video, digital recorded music downloads, digital recorded music, streaming subscriptions, consumer magazine and daily newspaper digital circulation, electronic consumer books, digital learning materials, online video games and satellite radio subscription spending.

Traditional consists of spending on pay subscriptions, transactional video on demand through TV subscription providers, physical home video sales and rentals, public service TV and radio broadcasting,
physical recorded music, concerts and music festivals, box office, consumer magazine print circulation, daily newspaper print circulation, print consumer and educational books, and boxed console and
PC video games.

6 McKinsey & Company (2015), *Global Media Report 2015: Global Industry Overview* [online].
Available at: http://www.mckinsey.com/industries/media-and-entertainment/our-insights/2015-global-media-report, Copyright (c) 2016 McKinsey & Company. All rights reserved. Reprinted by permission.

7 Manjoo, F. (2016). *Tech's Frightful 5 Will Dominate Digital Life for the Foreseeable Future*. The New York Times, [online].
Available at: http://www.nytimes.com/2016/01/21/technology/

techs-frightful-5-will-dominate-digital-life-for-foreseeable-future.html

8 Abboud, L. (2016). *Mark Zuckerberg's Latest Victory*. Bloomberg, [online].
Available at: https://www.bloomberg.com/gadfly/articles/2016-08-02/facebook-and-google-are-beating-the-ad-blockers

9 Evans, B. (2016). Presentation: *Mobile is eating the world.* Benedict Evans, [online]. Slide 8.
Available at: http://ben-evans.com/benedictevans/2016/3/29/presentation-mobile-ate-the-world

10 Bell, E. (2015). *The Rise of Mobile and Social News – and What it Means for Journalism*. Digital News Report 2015, [online].
Available at: http://www.digitalnewsreport.org/essays/2015/the-rise-of-mobile-and-social-news/

11 McKinsey & Company (2015), *op.cit.* p18.

12 Evans, B. (2016). Presentation: *Mobile is eating the world.* Benedict Evans, [online]. Slide 8.
Available at: http://ben-evans.com/benedictevans/2016/3/29/presentation-mobile-ate-the-world

13 SMW Staff (2016). *Millennials Check Their Phones More Than 157 Times Per Day*. Social Media Week New York, [online].
Available at: https://socialmediaweek.org/newyork/2016/05/31/millennials-check-phones-157-times-per-day/

14 Meeker, M. (2016). *Internet Trends 2016 – Code Conference*. Kleiner Perkins Caufield Byers, [online]. p109.
Available at: http://www.kpcb.com/internet-trends

15 World Economic Forum (2016). *Digital Media and Society: Implications in a hyper-connected era.* World Economic Forum, [online]. p5.
Available at: http://www3.weforum.org/docs/WEFUSA_DigitalMediaAndSociety_Report2016.pdf

16 Meeker, M. (2016), *op.cit.* p172.

17 Kelly, K. (2016). *In the future you will own nothing and have access to everything.* Boing Boing, [online].

Available at: http://boingboing.net/2016/07/14/in-the-future-you-will-own-not.html

18 McKinsey & Company (2015), *op.cit.* p21.

19 *Ibid.*

20 The Global Agenda Council on Social Media (2016). *The Impact of Digital Content: Opportunities and Risks of Creating and Sharing Information Online*. World Economic Forum, [online].
Available at: https://www.weforum.org/reports/the-impact-of-digital-content-opportunities-and-risks-of-creating-and-sharing-information-online/

21 For example, ASOS (As Seen On Screen), the online fashion retailer, is classified by some investors as a media company, having established itself as a publisher and running one of most popular fashion websites in the world.

22 Morris, C. (2016). *Vinyl Record Sales Are At A 28-Year High.* Fortune, [online].
Available at: http://fortune.com/2016/04/16/vinyl-sales-record-store-day/

23 Furness, H. (2016). *Books are back: Printed book sales rise for first time in four years as ebooks suffer decline.* The Telegraph, [online].
Available at: http://www.telegraph.co.uk/news/2016/05/12/books-are-back-printed-book-sales-rise-for-first-time-in-four-ye/

24 Fitzpatrick, A. (2015). *Polaroid CEO: We're Now 'Curators of Innovation'.* Time, [online].
Available at: http://time.com/3662144/polaroid-ces/

25 Hinsliff, G. (2016). *How living offline became the new status symbol*. The Guardian, [online].
Available at: https://www.theguardian.com/commentisfree/2016/jan/15/living-offline-status-symbol-eddie-redmayne

26 Doctor, K. (2016). *Newsonomics: The Financial Times' CEO on trial subscriptions, the platform age, and living in luxury*. NiemanLab, [online].
Available at: http://www.niemanlab.org/2016/06/newsonomics-the-financial-times-ceo-on-trial-subscriptions-the-platform-age-and-living-in-luxury/

27 Manjoo, F. (2016), *op.cit.*

28 *Ibid.*

29 France-Presse, A. (2016). *Facebook tweaks news feed to put friends, family ahead of media.* The Telegraph, [online].
Available at: http://www.telegraph.co.uk/technology/2016/06/30/facebook-tweaks-news-feed-to-put-friends-family-ahead-of-media/

30 Moses, L. (2015). *Facebook's traffic to top publishers fell 32 percent since January*. Digiday UK, [online].
Available at: http://digiday.com/publishers/facebooks-traffic-top-publishers-fell-32-percent-since-january/

31 Garrahan, M. (2016). *Advertising: Facebook and Google build a duopoly*. Financial Times, [online].
Available At: https://www.ft.com/content/6c6b74a4-3920-11e6-9a05-82a9b15a8ee7

32 Bond, D. (2016). *Fleet Street rivals join forces to combat slowdown.* Financial Times, [online].
Available at: https://www.ft.com/content/413bd26c-318a-11e6-ad39-3fee5ffe5b5b

33 Thammineni, M. (2011). *Building A Business Around Frenemies.* Fast Company, [online].
Available at: http://www.fastcompany.com/1788447/building-business-around-frenemies

34 Maycotte, H (2015). *Partner or Competitor? Frenemies in Business.* Forbes, [online].
Available at: http://www.forbes.com/sites/homaycotte/2015/04/28/partner-or-competitor-frenemies-in-business/#6396293e35ae

35 See the *Future of Media* report for examples of such activities (Chapter 3).

36 Meeker, M. (2016). *op.cit*. p129.

37 *Ibid.* p122.

38 O'Reilly, T. (2016). *What Would Alexa Do?* LinkedIn Pulse [online].
Available at: https://www.linkedin.com/pulse/what-would-alexa-do-tim-o-reilly

39 Teich, P. (2016). *New Opportunities - Virtual And Augmented Reality, 360-Degree Media.* Forbes [online].
Available at: http://www.forbes.com/sites/tiriasresearch/2016/07/25/new-opportunities-ar-vr-360/#6e78be8368cb

40 Evans, B. (2016). *18 July - Benedict's Newsletter: ARM, imaging, AI and VR rumblings.* Benedict Evans, [online].
Available at: http://ben-evans.com/newsletter/

41 McKinsey & Company (2015), *op.cit.* p16.

42 Winger, W. and Edelman, D. (1989). *Segment-of-One Marketing.* BCG Perspectives, [online].
Available at: https://www.bcgperspectives.com/content/Classics/strategy_segment_of_one_marketing/

43 'Siren servers' is a concept articulated by Jaron Lanier in the book *Who Owns The Future* (2013).

44 Abboud, L. (2015). *op.cit.*

45 Garrahan, M. (2016). *op.cit.*

46 Bilton, R. (2015). *One year in: What The Guardian's content studio has learned.* Digiday UK, [online].
Available at http://digiday.com/publishers/one-year-guardian-labs-learned/

47 Pew Research Center (2014). *The Future of Privacy.*
Available at: http://www.pewInternet.org/2014/12/18/future-of-privacy/

48 Hodgson, S., Toennesen, C. and Mimmack, F. (2013). *Does It Matter? An analysis of sustainability issues in the media sector.* [online] Media CSR Forum and Carnstone Partners LLP.
Available at: https://carnstone.com/insight?document=59

49 Schroders Cyber Security (check a full reference isn't required).

50 Meeker, M. (2016), *op.cit.* p209.

51 https://www.darktrace.com

52 Joseph, S. (2015). *Brands think the 'Me2B' economy will level the playing field with ad tech's walled gardens.* The Drum.
Available at: http://www.thedrum.com/news/2015/12/19/brands-think-me2b-economy-will-level-playing-field-ad-techs-walled-gardens

53 World Economic Forum (2016). *op.cit.*

54 Meeker, M. (2016), *op.cit.* p210.

55 Strong, C. (2015). *Privacy Moves from Backroom to Boardroom.* Research Live. Available at: https://www.research-live.com/article/features/privacy-moves-from-backroom-to-boardroom/id/4012857

56 Madrigal, A. C. (2012). *Reading the Privacy Policies You Encounter in a Year Would Take 76 Work Days.* The Atlantic.
Available at: http://www.theatlantic.com/technology/archive/2012/03/reading-the-privacy-policies-you-encounter-in-a-year-would-take-76-work-days/253851/

57 Pariser, E. (2011). *The Filter Bubble: What the Internet is Hiding from You.* Penguin.

58 The letter from a Norwegian Editor-in-Chief to Mark Zuckerberg: http://www.aftenposten.no/meninger/kommentar/Dear-Mark-I-am-writing-this-to-inform-you-that-I-shall-not-comply-with-your-requirement-to-remove-this-picture-604156b.html

59 Angela Merkel: sites should be transparent about algorithms, users reading only content they agree with threatens democracy: http://www.faz.net/aktuell/wirtschaft/netzwirtschaft/angela-merkel-fordert-mehr-transparenz-von-google-facebook-14497819.html

60 The Economist (2016). *False news items are not the only problem besetting Facebook,* [online].
Available at: http://www.economist.com/news/business/21710835-falling-share-price-privacy-policy-and-advertising-metrics-also-keep-mark-zuckerberg

61 Koene, A. (2016). *Facebook's algorithms give it more editorial responsibility – not less.* The Conversation.
Available at: http://theconversation.com/facebooks-algorithms-give-it-more-editorial-responsibility-not-less-65182

62 Barthel, M. (2016). *State of the news media 2016: Newspapers fact sheet.* Pew Research Centre, [online].
Available at: http://www.journalism.org/2016/06/15/newspapers-fact-sheet/

63 The Economist (2015). *Workers on tap.* The Economist, [online].
Available at: http://www.economist.com/news/leaders/21637393-rise-demand-economy-poses-difficult-questions-workers-companies-and

64 See, for example The Pharmaceutical Supply Chain Initiative (https://pscinitiative.org).

65 Schien, D and Preist, C. (2016). *Understanding and Managing the Environmental Footprint of Digital Services.* Bristol University. Presentation to the Responsible Media Forum.

66 Altman, S. (2016). *Moving Forward on Basic Income.* [Blog]
Y Combinator.
Available at: https://blog.ycombinator.com/moving-forward-on-basic-income

67 Chui, M., Manyika, J. and Miremadi, M. (2015). *Four fundamentals of workplace automation*. McKinsey & Company, [online].
Available at: http://www.mckinsey.com/business-functions/business-technology/our-insights/four-fundamentals-of-workplace-automation

68 Frey, C. and Osborne, M. (2013). *The Future of Employment: How susceptible are jobs to computerisation?* [online].
Available at: http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf

69 McKinsey Global Institute (2016). *Where machines could replace humans — and where they can't (yet)*. Tableau Public, [online].
Available at: https://public.tableau.com/profile/mckinsey.analytics#!/vizhome/AutomationBySector/WhereMachinesCanReplaceHumans

70 Deloitte (2016). *The Deloitte Millennial Survey 2016 – Winning over the next generation of leaders*. [online] Deloitte.
Available at: http://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html

71 Kalev, A., Dobbin, F. and Kelly, E. (2006). *Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies*. American Sociological Review [online] Volume 71(4), pp. 589-617.
Available at: http://asr.sagepub.com/content/71/4/589.short

72 Smith, C. and Turner, S. (2016). *The Radical Transformation of Diversity and Inclusion: The Millennial Influence*. [online] Deloitte.
Available at: http://www2.deloitte.com/us/en/pages/about-deloitte/articles/radical-transformation-of-diversity-and-inclusion.html

73 Fry, F. (2015). *Millennials surpass Gen Xers as the largest generation in U.S. labor force*. Pew Research Centre, [online].
Available at: http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force/

74 Schwab, K (2016), *op.cit.*