

## **THE NEWSROOM DILEMMA: New analysis of the impact of competition and time pressures on media accuracy**

New research by **Ayush Pant** and **Federico Trombetta** highlights mechanisms through which the modern digital environment has altered the media landscape. Their study, to be presented at the annual congress of the European Economic Association in Manchester in August 2019, first finds that competition induced by the internet might not always push to speed-driven journalism.

Nevertheless, the internet can make readers worse-off by forcing media outlets towards speed-driven journalism independent of competitive pressures. What's more propaganda-driven leaders may exploit the media's time and competition pressures even when the latter are intrinsically motivated to do research.

'Social media and the internet creates both time pressures, but also competition pressures', observed Matt Murray, Editor-in-Chief of the *Wall Street Journal*, in a recent interview about the media incentives in the modern digital age. But part of the pressure, he noted, 'is to stay true to what has worked and works (really) well, which is reporting verified facts.'

This study explores reasons why competing media outlets might insist on reporting accurate information despite facing time constraints. The authors show that media outlets may find it *more* beneficial to report verified facts rather than succumb to time pressures when facing *more* competition.

They argue that two opposing forces determine the resolution of speed-accuracy trade-off – pre-emption and reputation. While the former pushes outlets towards speed, the latter gives them a reason to pursue facts, which takes time.

The main result arises because it is easier to build a reputation in competitive environments. The intuition is as follows: in general, more competition pushes media outlets towards the early release of information as they compete to gain more eyeballs. But when there is a tendency towards speed-driven journalism, there is a greater incentive to build a reputation by providing later and more accurate information. Therefore, more competitive environments can also be more conducive to better reporting.

Conventional wisdom suggests that digital technology has unambiguously led to more speed-driven journalism. But more recent data suggest that such concerns might be a little overblown.

Knobel's (2018) findings on increased accountability reporting in the Internet era in a sample of US newspapers echo this observation. Furthermore, her interviews with the editors of the sampled newspapers reveal their reputational concerns. Knobel quotes Rex Smith, editor of the *Albany Times Union*: 'what can separate great journalism (from the rest) is simply our commitment to the journalism of verification.'

The internet, however, has not only led to increasing competition and time pressures. It has also admittedly led to improved source information by making it easier to conduct preliminary research. Journalists can quickly 'contact people, access government records, file Freedom of Information Act requests, and do searches' (Knobel, 2018).

This study shows that this can make the audiences worse off. When preliminary research becomes better, readers are less able to attribute correct information by the media outlets to their ability to conduct in-depth research. They instead assign it to better source information, which is due to better technology. Thus, reputational concerns get diluted, and timing pressures become more salient, making the media outlets move towards speed.

Finally, the researchers also explore how a source shares information with media outlets facing a speed-accuracy trade-off. Notably, a source who is merely interested in getting potentially incorrect information out without further research can exploit the time pressures that competing media outlets face.

The study shows that when media outlets are intrinsically driven to explore issues, it is better to share information with all the media outlets to get the information out quickly. More intrinsically motivated media outlets are more likely to do further research *independent of the competition*.

But by sharing with all the media outlets and creating competitive pressures, additional time pressure can be created. Thus, politicians with propaganda may still hold media outlets hostage even without explicitly capturing or buying them off.

This research, therefore, highlights possible mechanisms through which the modern digital environment has altered the media landscape:

- First, competition induced by the internet might not always push to speed-driven journalism.
- Second, the internet can make readers worse-off by forcing media outlets towards speed-driven journalism independent of competitive pressures.
- Third, propaganda-driven leaders may exploit the media's time and competition pressures even when they are intrinsically motivated to do research.

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