

# Q5

## What concerns and opportunities does AI bring to Publishers?

### Concerns:

- **Intellectual property/ copyright**  
AI firms training LLMs with publisher content.
- **Job cuts**  
Fear of journalists being replaced by AI.
- **Purposefully fake/ misleading content**  
GenAI making it much easier and harder to discern.
- **Brand harm**  
Hallucinations harming publisher brands (perpetuation of biases, incorrect attribution/citations.)
- **Traffic reduction**  
Search engines use GenAI on SERPs to include more content and less links.
- **Increased dependency on Big Tech**  
Expensive investments in infrastructure/systems and potentially difficult to switch.
- **Ways of working**  
Newsroom dynamics have historically relied on constant communication and collaboration, with journalists working with each other to sense-check content. Focus groups held with industry leaders revealed concerns that AI can hinder collaboration and creativity in the newsroom.
- **Privacy**  
ChatGPT has leaked personal data and could do so again.
- **Data bias and quality**

### Opportunities:

- **Increased efficiencies**  
Automation of activities/workflows can increase the output of teams struggling with resources. Humans can focus on activities that add the most value.
- **Rebalance relationship with Big Tech**  
AI needs quality content to train its large language models (LLMs). Opportunity to force Big Tech to come to the table to negotiate a deal that is sustainable for publishers and grows in value with increased adoption/usage.
- **Increased importance of trusted brands**  
Publishers able to reinforce their position as trusted brands, which provide undisputed and verified information to the public.
- **Democratisation of content**  
Easier/cheaper translation and transcription tools allow more diverse audiences to access content.
- **Pace of AI improvements**  
Development of open source LLM offer a more affordable technology, democratising AI.

# What are the key impacts we're seeing in this space?

Q5

Generative AI (GenAI) represents a significant shift in media creation, distribution, and consumption, comparable to the rise of the Internet. For over a year, it has been a top priority for publishing leaders due to its rapid advancements and clear implications.

Despite concerns about job impacts, misinformation, brand trust, and business models, there are potential productivity gains

## Increased productivity and concerns about jobs

GenAI tools will undoubtedly transform how journalists research, write, and publish content, leading to changes in roles and organisations. These tools offer opportunities to boost productivity and efficiency in tasks like data gathering, translation, and transcription, which traditionally consumed significant time and resources. However, in an industry focused on cost-cutting, there are concerns about potential job losses.

Adjustments are already underway, with some reorganisation (e.g., Bild). Conversely, AI is enhancing the capacity of existing resources, especially in local news, enabling journalists to focus on high-value tasks like investigative journalism. Similar to how the Internet created new job roles, GenAI will likely generate new opportunities, much like the emergence of web designers.



## Hallucinations, deepfakes and the potential for brand harm

GenAI is enabling faster and easier production of high-quality content, raising concerns about misinformation from fake, misleading, biased, or erroneous content, which threatens publishers' trust and credibility.

GenAI tools can make errors, known as "hallucinations," generating incorrect outputs that lead to misinformation. This issue is central to the NYT's lawsuit against Microsoft and OpenAI, where Gen AI might produce factually incorrect content attributed to the NYT or correct content sourced from NYT but attributed to competitors, devaluing the NYT brand.

Additionally, AI can generate inappropriate content, as seen when Microsoft published an AI-generated poll speculating on an Australian woman's death next to a Guardian article. There are also concerns that biased training data could lead to content that perpetuates stereotypes.



In addition to technological errors, there are concerns about Gen AI being used to generate deepfake videos and other misleading content. Recently, ITN experienced a deepfake of one of their news presenters promoting a fake app endorsed by Adele on Instagram. With numerous significant elections this year, there are fears that Gen AI could be exploited for more harmful purposes, threatening democracies worldwide.

# Impact of Gen AI on Publishers

## Q5



## Impact on business models

Another key area in the GenAI discussion is its impact on publishers' business models.

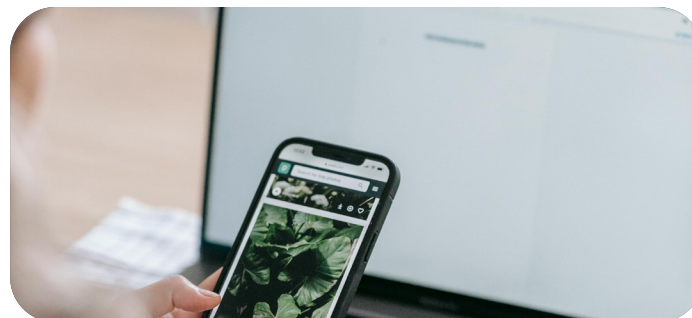
While there's concern about reduced traffic from search engines, the need for quality content to train AI systems' Large Language Models (LLMs) offers publishers a significant opportunity to rebalance their relationship with Big Tech.



## Reduced traffic from search

GenAI is increasingly providing content directly in Search Engine Results Pages (SERPs), intercepting readers who would otherwise click through to publisher sites. For digital publications outside paywalls, site traffic is directly proportional to revenue from advertising, affiliate links, and commercial partnerships.

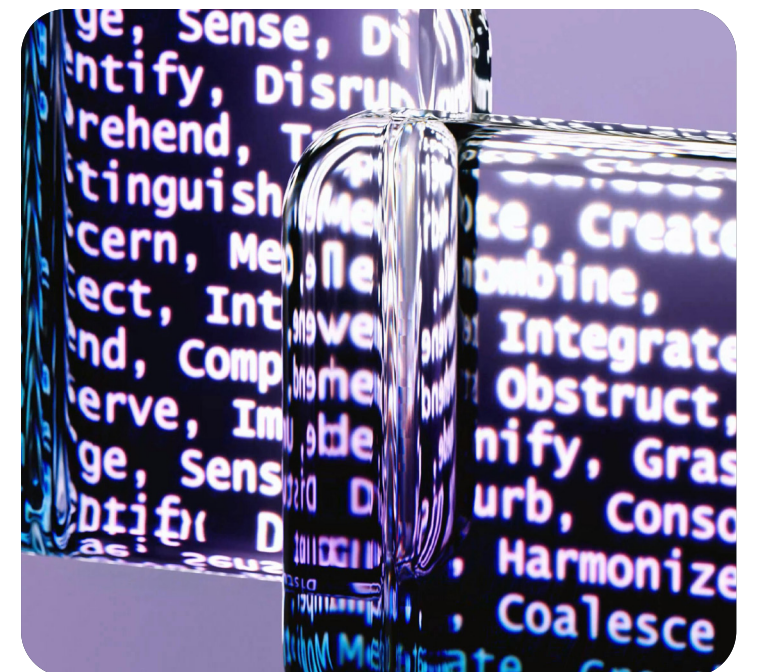
This shift could have significant implications, as some publishers rely on search traffic for over 80% of their reach. While not all traffic will be lost immediately, publishers are already noticing a decline in search traffic as fewer links are included in search results.



## Copyright and licensing opportunity

Another significant issue, which also presents a major opportunity, involves the use of publisher content to train AI firms' large language models (LLMs) and the associated copyright implications. Many AI firms are currently using quality publisher content without permission. Some publishers, like the NYT, are suing AI firms, and courts in the UK and US are determining if using copyrighted work for training LLMs is "fair use" or requires compensation.

Publishers are optimistic about favorable court rulings, as indicated by a House of Lords report in February 2024 stating such use is unfair. A favorable ruling could compel Big Tech to negotiate sustainable deals with publishers, increasing in value with greater AI adoption. While Google resists, publishers are negotiating with OpenAI (e.g., Axel Springer) and Microsoft (e.g., Semafor). Unlike earlier Internet days when search engines and platforms used their content freely, publishers now aim to ensure deals grow over time and are not one-offs.



# Q5

## How can Publishers seize the opportunities that GenAI brings?

The pace of change with Gen AI is likely to only increase as time goes on and while it might take some time for its impact to be felt across the publishing industry, there are some steps that publishers can take now to embrace the inevitable change:

### 1. AI working group

The first step publishers should take is to establish an AI working group comprising of senior leaders across the business, , across editorial, commercial and operations.

This is not just a tech issue and the effects will be felt by all teams, so it's important that the whole business is represented.

### 2. AI use policy

The first task that this working group should tackle is to audit the way AI is already being used in the organisation and decide what are the governing principles that need to be put in place regarding AI and how it is used.

This policy should cover the use of AI tools across all aspects of the business and all staff need to be clear on the usage and reasons.

### 3. AI vision and strategy

The final step before any major investment is for publishers to develop a clear vision and strategy around how AI can add the most creativity and innovation to their value chain and business model.

Q5 have created an example value chain with some ideas to stimulate thinking. For those looking for some help on the best operating models and structure to way to embrace AI, Q5 have also developed a programme to help.

## Some key questions to answer:

How do publishing business models and operating models need to evolve to accommodate AI?

What are the new capabilities and skillsets that will be required?

Is the lack of AI related skills a key barrier to media organisations today?

How well is the existing IT infrastructure equipped to apply AI solutions?

How can we use tech to replace tasks that humans do today?

How can we use AI to improve how we gather/ package/ distribute content?