

GENERATIVE AI IN THE NEWSROOM Friend or Foe?

A STUDY BY FLEISHMANHILLARD

SITUATION ARALYSIS

The advent of Generative AI (GenAI) technology marks a transformative moment in the history of mankind, and much has been written about the effects, both positive and negative, it will have on every sector, industry and geography worldwide. One of the industries on the frontlines of this evolution is the news industry. Newsrooms around the world are currently grappling with what GenAI means for journalism and how it is revolutionizing content creation, distribution and audience engagement.



MICHAEL STEAVENSON SVP & PARTNER - NEW YORK TECHNOLOGY PRACTICE LEAD Much like transformative innovations of the past, such as the printing press, radio, television and the internet, the emergence of GenAl elicits a spectrum of emotions ranging from profound fear to boundless optimism. In the face of rapid technological advancement, the fear of obsolescence and loss of human touch very much pervades the current journalistic landscape.

The English writer, philosopher and noted pacifist Aldous Huxley once said,

"Technological progress has merely provided us with more efficient means for going backwards."

- ALDOUS HUXLEY

Yet, amid this fear lies the promise of **revolution** and **evolution**.

Marshall McLuhan, the Canadian philosopher whose work is among the cornerstones of the study of media theory, famously remarked, "The medium is the message." GenAl transcends the traditional confines of content creation and has the potential to reshape the narrative landscape, challenging conventional wisdom. It is here, within the tension point between fear and optimism, that the transformative power of GenAl in the newsroom becomes manifest.

WHY CARE?

Modern comms teams should care deeply about the effects of GenAl on modern newsrooms because it is already having a huge influence on how information is produced, distributed and consumed. As media plays a crucial role in shaping public perception and brand reputation, understanding and leveraging GenAl can provide a competitive edge. Staying ahead of technological trends ensures that organizations can navigate the evolving media landscape effectively and maintain their credibility and relevance in a rapidly changing environment.

This report explores the impact of GenAl on the news industry and the opportunities and challenges it presents. Through an analysis of industry trends, case studies and expert insights, it aims to provide a comprehensive understanding of the rise of GenAl in the modern newsroom and its implications for the future of journalism.

GENALIN THE NEWSROOM: 2024 OVERVIEW IN NUMBERS

70% OF NEWSROOM STAFFERS NOW USE AI TECHNOLOGY TO CRAFT SOCIAL MEDIA POSTS, NEWSLETTERS, HEADLINES AND STORY DRAFTS, ALONG WITH TRANSLATION AND TRANSCRIPTION OF INTERVIEWS.

20% USE GENAI FOR MULTIMEDIA.

54% SAID THEY'D "MAYBE" TRAIN THEIR MODELS

SAID THEY'D "MAYBE" LET AI COMPANIES TRAIN THEIR MODELS USING THEIR CONTENT. "Accuracy, fairness, and speed are the guiding values for AP's news report, and we believe the mindful use of artificial intelligence can serve these values and over time improve how we work."

> ASSOCIATED PRESS VICE PRESIDENT FOR STANDARDS AND INCLUSION

56%

49%

SAID THE AI GENERATION OF ENTIRE PIECES OF CONTENT SHOULD BE BANNED.

SAID THEIR WORKFLOWS HAVE ALREADY

CHANGED BECAUSE OF GENAL

only • **7%**

OF THOSE WHO RESPONDED WERE WORRIED ABOUT AI DISPLACING JOBS.

18%

SAID LACK OF TRAINING WAS A BIG CHALLENGE FOR ETHICAL USE OF AI. "**TRAINING IS LOVELY, BUT TIME SPENT ON TRAINING IS TIME NOT SPENT ON JOURNALISM — AND A SMALL ORGANIZATION CAN'T AFFORD TO DO THAT,"** SAID ONE REPORTER.

GENAI IN THE NEWSROOM: THE MAIN CHALLENGES & OPPORTUNITIES

CHALLENGES

ETHICAL CONSIDERATIONS:

The use of AI in content creation raises questions about misinformation, bias and the erosion of trust in media.

JOB DISPLACEMENT:

There are concerns about AI replacing human jobs, particularly in areas like reporting and content creation.

ACCURACY AND RELIABILITY:

Al-generated content may lack the nuance and depth of understanding that human journalists provide, leading to potential inaccuracies or superficial coverage.

OPPORTUNITIES

EFFICIENCY AND SCALABILITY:

Al can handle repetitive tasks, allowing journalists to focus on investigative work and in-depth reporting.

INNOVATION IN STORYTELLING:

Al enables new forms of multimedia storytelling, making news more interactive and engaging.

GLOBAL REACH:

Al can translate content into multiple languages, broadening the audience base.

GENALIN THE NEWSROOM: TYPES AND USE CASES

GENAI TOOLS OFFER A BROAD SPECTRUM OF APPLICATIONS WITHIN MEDIA OPERATIONS, RANGING FROM CONTENT CREATION TO DATA ANALYSIS AND BEYOND.

KEY FUNCTIONS INCLUDE:

- Automated Reporting: Tools that allow for custom Generative Pre-Trained Transformers creation can generate news stories from data inputs, particularly useful for financial reports, sports results and election coverage.
- **Content Personalization:** Al can tailor content to individual readers' preferences, improving engagement.
- Editorial Assistance: Al applications assist in editing by checking grammar, verifying facts and suggesting improvements in writing.
- Data Journalism: Al aids in analyzing large datasets to uncover stories, trends and patterns.
- Voice and Video Generation: Al can create synthetic voices and videos, making it possible to produce content in multiple languages and formats without additional human resources.

CONTENT CREATION VS. DATA ANALYSIS — ARE THEY BEING USED IN EQUAL MEASURE?

While many aspects of content creation and data analysis overlap, data analysis is currently a more prevalent use case of artificial intelligence due to its versatility.

OVERVIEW

- GenAl plays a critical role in the <u>backend automation</u> of repetitive and mundane tasks such as tagging information, fact-checking and sorting through archives.
- GenAl also plays a pivotal role in audience profiling by <u>monitoring</u> <u>trends</u> and social media to identify engaging upcoming news topics.
- GenAl enables complex analyses to generate <u>financial</u> and <u>news</u> <u>reports</u>, <u>optimize paywalls</u>, <u>summarize articles</u>, and deliver personalized advertisements and recommendations.
- In contrast, the GenAl use case for content creation is slightly less widespread. For example, it provides editorial assistance by <u>drafting</u> <u>articles</u>, <u>generating story narratives</u> and ensuring grammatical accuracy. Al is also becoming critical to multimedia production by facilitating media reformatting, transcription, translation and generation of new content (such as images and videos).

CONTENT CREATION GEN AI IS CURRENTLY MOST FREQUENTLY USED TO CREATE CONTENT ABOUT SPORTS, FINANCE, POLITICS AND ENTERTAINMENT.

- There has been strong skepticism about the quality of AI-assisted content creation as the generation of biased, offensive and fabricated information are all key concerns.
- Sports, finance and politics content tend to be written in the form of <u>analytical reports</u>. In comparison, entertainment content tends to be more interactive with the use of AI chatbots.

"I only am using it right now for grammar and editing purposes since we use some of the add-ons from Google and Otter.ai (recording interviews - does wonders for me). CNBC has regulated ways we can use AI at this point so minimal usage from my end."

- MORGAN SMITH WORK REPORTER, CNBC MAKE IT

DATA ANALYSIS GENAI IS ALREADY BEING APPLIED TO ANALYZE LARGE, COMPLEX DATASETS.

<u>Fuzzy matching</u> is a machine learning technique that can be used to identify patterns in large datasets significantly more efficiently than humans.

This can be applied to monitor behavior and social media trends. Al can scan through <u>millions of social media posts</u> and forums, and then process this information to gauge audience sentiment. Such in-depth data analysis enables news outlets to generate personalized advertisements and recommendations with striking accuracy.

GenAl's ability to analyze large datasets has been key for summarization and synthesis of financial data. <u>Bloomberg</u> uses their own tool called Al-Powered Earnings Call Summaries to help users search across hundreds of millions of trusted company and industry documents to gather key insights.

This summarization is powered by Large Language Models (LLMs), one subset of GenAl that is also particularly advanced at processing huge amounts of data to generate <u>images and videos</u>.

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ADDITIONAL EXAMPLE USE CASES

Analytical Reports: The Associated Press uses a Generative AI system called Wordsmith to write regular earnings reports, and <u>The Washington Post</u> uses Heliograf to cover local elections and high school sports. Such automation of writing is especially helpful in maintaining news coverage more frequently.

Article Recommendation: Entertainment outlets such as <u>BuzzFeed</u> are applying AI for interactive article recommendation purposes.

General Content Creation: Few news outlets use AI as the sole source of content creation, most likely due to <u>controversies</u> surrounding unverified <u>AI articles</u>/images/videos. Outlets that do utilize AI to generate <u>writing</u> or <u>images</u> are <u>extremely cautious</u> about maintaining transparency.

Data Analysis: Finance and business outlets primarily apply GenAI to conduct in-depth data analyses as well as for dynamic paywalls. For example, <u>Bloomberg</u> utilizes AI to filter through vast amounts of information and archived reports to produce key insights across technology and finance domains. One general trend across all outlets is the use of AI to summarize information (reports, archived news, etc.)

Design: <u>TIME</u> has used GenAI to recreate and redesign magazine covers.

Personalized content: Pop culture media sites such as BuzzFeed have created their own AI chatbots to recommend cooking recipes to users.

Targeted Advertising: In comparison to more specialized media such as entertainment or finance news, general news outlets such as CNN, Fox News, and The New York Times mainly use GenAI for <u>targeted advertising</u>. This conservative approach to GenAI is likely related to recent <u>legal disputes</u> with ChatGPT. In the future, these outlets also predict the development of AI to <u>identify fake GenAI</u>.

Writing: Organizations such as CNET, the Guardian, and <u>Business Insider</u> often use AI to draft and edit writing. Business Insider leverages AI as a word processing aid and narratives outliner.

"We are a bit AI'ed out at this point but have seen our readers are interested in content. So, we really are catering to the Gen Z and millennial working audience which really want to look at it from how companies are using it for the interview process or more hacking content that will save them time at work."

- MORGAN SMITH WORK REPORTER, CNBC MAKE IT

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KEY OBSERVATIONS IN NEWSROOM ADOPTION

LARGER NEWS ORGANIZATIONS WITH AMPLE RESOURCES OFTEN ENGAGE IN IN-HOUSE AI DEVELOPMENT TO STREAMLINE WORKFLOWS AND IMPROVE CONTENT CREATION. HOWEVER, SMALLER PUBLISHERS, FACING BUDGET CONSTRAINTS, OPT FOR THIRD-PARTY AI SOLUTIONS FROM PLATFORM COMPANIES DUE TO THE HIGH COSTS ASSOCIATED WITH CUSTOM AI DEVELOPMENT.

SOURCE: COLUMBIA JOURNALISM SCHOOL

On the local news level, outlets are still learning how to apply AI. Currently, GenAI is used for more basic purposes than national news, such as media formatting and article recommendations.

A CAUTIONARY TALE

In 2023, Arena Group and CNET/Red Ventures embraced AI to improve its content creation and editing processes. CNET/RedVentures' main objective in integrating AI use was financial; an attempt to reach cost savings and prove more favorable to advertisers. However, overreliance on AI at times led to <u>controversy</u>, as seen with Arena Group's <u>scandal</u> resulting in the ousting of the CEO. Despite such challenges, news organizations continue to broaden their AI-assisted efforts, recognizing the benefits of AI in enhancing productivity and reaching cost savings.

GENALIN THE NEWSROOM: THE EARLY ADOPTERS & THE CRITICS

THE EARLY ADOPTERS

SUPPORT FOR GENALIN NEWSROOMS COMES FROM A VARIETY OF STAKEHOLDERS, EACH DRIVEN BY DIFFERENT MOTIVATIONS.

• BuzzFeed is using OpenAI to <u>personalize</u> content, emphasizing the role of AI in augmenting human creativity. They envision AI-powered creation as a new era of creativity, where human creativity is combined with technological capabilities to produce content.

SOURCE: THE WALL STREET JOURNAL

- The Associated Press has entered into a licensing deal with GenAl to explore Al tools for news sharing and potentially leverage Generative AI in the future, focusing on responsible use cases and the integrity of news stories.
 SOURCE: AXIOS
- Several prominent news <u>organizations</u>, including CNN, Yahoo Finance, Dow Jones, Reuters, and Bloomberg, have embraced AI for financial news automation. By automating routine tasks, such as generating financial news stories, these organizations free up journalists' time for more in-depth reporting and investigative projects, enhancing the overall quality of journalism.
 SOURCE: <u>IR MAGAZINE</u>
- Leaders in the media industry, such as Axel Springer's CEO <u>Mathias Dopfner</u>, see AI as a means to bring journalism to the next level by improving quality and the business model of journalism. Additionally, editors like <u>Nicholas Carlson</u> of Business Insider believe that GenAI tools and platforms, such as ChatGPT, can empower journalists to become better editors, reporters and producers by augmenting their capabilities and enhancing their productivity.
 SOURCE: <u>BLOOMBERG</u>

THE CRITICS

<u>CRITICS</u> OF GENALINTEGRATION IN NEWSROOMS RAISE A SERIES OF CONCERNS REGARDING ITS POTENTIAL NEGATIVE IMPACTS.

They argue that AI-generated content may lack the depth and nuance of human-authored journalism, potentially compromising the quality and reliability of news reporting by introducing inaccuracies and biases. They also highlight ethical concerns, such as privacy violations and data exploitation, emphasizing the need for careful consideration of complex ethical dilemmas when implementing AI-driven solutions in journalism. Critics also worry about the diminishing role of human judgment and critical thinking in the news production process as AI reliance increases, potentially undermining the unique insights and ethical judgment that human journalists bring to their work.

SOURCE: <u>GENERATIVE AT IN JOURNALISM: THE EVOLUTION OF</u> <u>NEWSWORK AND ETHICS IN A GENERATIVE INFORMATION ECOSYSTEM</u>

"I have not used AI in our reporting. That is not our focus right now. Maybe when there is a safety net in place."

- SENIOR PRODUCER NATIONAL BUSINESS MEDIA OUTLET

SIGNIFICANT EXAMPLES OF OPPOSITION AND CONCERNS RAISED INCLUDE:

- Guardian Media Group: Anna Bateson, the chief executive, expressed concerns about Microsoft's use of AI-generated content alongside journalism licensed from The Guardian, emphasizing the need to protect journalistic integrity and independence from experimental AI technologies. SOURCE: <u>CNN BUSINESS</u>
- The New York Times: The newspaper has filed a lawsuit against OpenAl and Microsoft over unauthorized use of copyrighted work, highlighting concerns about intellectual property rights and unauthorized use of journalistic content.

SOURCE: THE NEW YORK TIMES

 Government: Senator Richard Blumenthal and trade associations such as News Media Alliance and National Association of Broadcasters have raised concerns about big tech companies using the content of newspapers and broadcasters to train Al models without compensation or credit, potentially leading to the cannibalization of readership and revenue from journalistic institutions.

SOURCE: <u>TIME</u>

 Creative Community: Comedian Sarah Silverman and authors Christopher Golden and Richard Kadrey <u>sued</u> OpenAI and Meta for training their AI models on their writing without permission, raising concerns about intellectual property rights and unauthorized use of creative works. SOURCE: <u>REUTERS</u>

Media Industry: Barry Diller's <u>IAC</u>, along with key publishers such as The New York Times, News Corp, and Axel Springer, are reportedly forming a coalition to address concerns about AI companies systematically stealing content to train software models. They are seeking compensation for the unauthorized use of their content, potentially leading to legal action and legislative advocacy. SOURCE: NY MAGAZINE "I hate AI. I rarely use it. I haven't been part of any conversations... it's just something I've avoided altogether. It's definitely a get off my lawn kinda moment for me. And I'm not sorry."

- JASON CIPRIANI FREELANCER FOR TECHNOLOGY & NEWS MEDIA

> (=) FLEISHMANHILLARD

GENALIN THE NEWSROOM: Key learnings

IN CONCLUSION, THE INTEGRATION OF GENALINTO NEWSROOMS IS SHAPING UP TO BE A **DOUBLE-EDGED SWORD.** IT PRESENTS BOTH SUBSTANTIAL BENEFITS AS WELL AS SIGNIFICANT CHALLENGES.

ETHICAL AND QUALITY CONCERNS IN JOURNALISM:

The use of GenAl in journalism raises significant ethical concerns regarding misinformation, bias and the potential erosion of trust in media. There is also worry about the depth and nuance in Al-generated content, which could lead to inaccuracies or superficial coverage compared to human-written articles.

EFFICIENCY AND INNOVATION:

GenAl significantly increases efficiency in newsrooms by automating routine tasks such as social media posts, newsletters, headlines, translation and transcription. This automation allows journalists to focus more on indepth reporting and investigative work. Furthermore, Al enables innovative storytelling techniques, making news more interactive and enhancing audience engagement.

THE NEED FOR BALANCED IMPLEMENTATION:

Despite the efficiencies and innovations brought by AI, there is a cautious approach to its adoption due to the challenges it presents, such as job displacement and concerns over content authenticity. News organizations are grappling with how to integrate AI responsibly, maintaining journalistic integrity while leveraging AI's capabilities to enhance productivity and engage a broader audience. The potential displacement of journalistic roles by AI technologies calls for a careful and balanced approach to adoption. As the media industry continues to explore the possibilities of AI it must strive to uphold the values of accuracy, fairness and depth in reporting, ensuring that the technology enhances rather than undermines the foundational principles of journalism.

"The scientific man does not aim at an immediate result. He does not expect that his advanced ideas will be readily taken up. His work is like that of the planter — for the future. His duty is to lay the foundation for those who are to come, and point the way."

- NIKOLA TESLA AMERICAN INVENTOR AND ELECTRICAL ENGINEER

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*This report was developed by Michael Steavenson in partnership with TRUE Global Intelligence, the in-house research practice of FleishmanHillard, who conducted an earned news media audit over the last 3 years (May 2021 to April 2024) and collected, organized, and assisted in interpreting the primary research data cited throughout this paper. Special thanks go to TGI's Laura Wutzke, Stephie Shen and Michelle Morant. Additional thanks go to Caitlin Teahan, Katrina Stern, Trine Hindklev, Sheila Rose and a series of GenAI tools for added copy editing, media intelligence & insights, and reporter inputs.