What drives consumer demand for slant?

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In 2010, Matthew Gentzkow and Jesse Shapiro published a paper titled "What Drives Media Slant?" which concluded that news firms respond strongly to consumer preferences. Furthermore, they show that ownership accounts for far less of the variation in slant than consumer preferences do. This shows that media bias, or slant, is demand driven. The question is, why do consumers demand slant? The two motivations considered by this project are that consumer are driven by their rational desire to be informed (assumed by most economic models) or that they are driven by psychological reasons. This drive is more intuitive and includes reading news that confirms prior beliefs or news that feels satisfying to read. Before this project, there was no empirical evidence to distinguish these two motivations for congenial news. Because media firms respond strongly to consumer preferences, it is important to distinguish these two motivations. There could be negative welfare implications if media firms respond to consumers that are driven by the psychological appeal of congenial news, namely, echo chambers and information loss.

This project used two methods to estimate the effect that congenial news has on demand. Simple surveys, asking respondents to choose to read one of four articles after providing some demographic information, were implemented the day after one of the 2016 presidential or vice presidential debates. Two of the articles were from Fox News and the New York Times—these revealed the winner of the previous night's debate (they agreed on which candidate won in all three surveys). The other two articles were non-political news used to simulate a more realistic "homepage" for a news site. The results indicate that respondents were significantly more likely to choose to read one of the stories that wrote about the winner of the debate if it was about their preferred candidate. Furthermore, the results show that the respondents' decision to read one of those articles was unaffected if they indicated that their preferred candidate lost.

The second method used web data for the homepage, most viewed section, and politics section of six mainstream media outlets—Fox, New York Times, Wall Street Journal, Huffington Post, USA Today, and Yahoo. The web data focused on the headlines of the 2012 presidential election. The headlines were filtered such that only stories with a constant information type were preserved, in this case, horse race stories. This is done so that the dataset only contained stories of the same information value. The headlines were then coded for slant—this was accomplished by crowdsourcing using Amazon's MTurk platform. This dataset was then used to estimate the effect that slant had on a horse race headline making it to the most viewed list for each outlet. The results indicate that congeniality played a role for articles on Fox News making it to the most viewed section, but significant conclusions cannot be made for the five other outlets. One reason for this is that each outlet has a different supply of horse race articles, and underlying slant distribution. If the supply of headlines is heavily biased to one side, all headlines on that side will be less likely to make it to the most viewed list. The project includes some preliminary supply bias analysis, and the results indicate that supply bias was prevalent.

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