What makes a story credible?

Why are we more likely to believe a story in New York Times or Wall Street Journal, than one in Star Magazine or The National Enquirer?

Publication’s reputation and past history

The author

The sources

Are the sources identified?

Are they authoritative?

Who do they work for and does that institution have credibility?
Authoritative sources

- Some examples of authoritative sources:
- Government officials
- regulators
- large investment banks and financial institutions
- academics
- market commentators
- company officers
- large investors
- think-tanks
- foundations
Sourcing is everything

- invest time cultivating sources
- companies don't have to say much beyond what SEC or regulators like SEC required
- private companies don't have to talk at all
- give companies a reason to talk to you, get to know them
- get to know as many people as you can in your major companies and employers (start with the public relations/affairs people as they're paid to do that)
- Find business groups and employees
- get to know analysts (buy-side, sell-side, independent, consultants and the like) who cover companies or industries
- Your stories are only as good as your sources
Where to find sources

- Subscribe to relevant trade publications, read them. They're filled with sources.
- Read *the important business publications for your country or region* religiously, a key source for sources.
- Find trade associations and organizations that represent your industries – likely have publications or reports.
- Municipal officials check courts.
Recently, the New York Times revealed Judith Miller, a star bioterrorism reporter, had relied on sources who have now been discredited by the government and the intelligence community for many of her big front page splashes on Iraq supposed development and possession of weapons of mass destruction.

The U.S. government had relied on some of the same sources to justify going to war against Iraq. But no WMD have been found, undermining one of the main justifications for the war.
When good sources go bad

According to Slate magazine:

“Miller, more than any other reporter, showcased the WMD speculations and intelligence findings by the Bush administration and Iraqi defector/dissidents.

Our WMD expectations, such as they were, grew largely out of Miller’s stories.”

**Bottom line**

Miller’s stories prepared the psychological groundwork for the country to go to war

Miller relied on dissidents inside Ahmed Chalabi’s Iraqi National Congress. This organization had its own agenda – to get the U.S. government to overthrow Saddam Hussein.
Lessons learned

- Their plan seems to have worked
- Miller said herself Chalabi, now discredited, supplied most of the front page scoops to the Times on WMD.

*Lessons learned*
- Always ask yourself, does your source have an agenda?
- Beware of manipulation.
- Ask yourself if the source may be manipulating you for their own end by providing wrong or misleading information?
- Always keep in mind who your source is.
Sometimes the pitfalls are obvious. For example, the officer of a company has an interest in telling you only the positive things and playing down the negative about that company so the share price will stay high and people will do business with their company.

Less obvious: A trader may be telling you positive or negative things about a certain stock, bond or currency that they have a position in (and you don’t know about it). So they may have an interest in seeing the value of that stock, bond or currency rise or fall.

QUESTION EVERYTHING AND EVERYONE

SKEPTICISM IS YOUR FRIEND
Who are your sources?

- Your sources are authorities on the subject you are writing about.
- In some countries, there may be a deep well of sources to choose from. In others, they may be extremely hard to find. You may need to do some mining to uncover those sources.
- Market sources: For reporters covering markets, you will need a hefty list of market analysts, market players i.e. those people involved in making the market such as traders and investors. It’s good to have people on both the “buy” side and the “sell” side.
- The bigger your source list is the better.
Vary your sources

- Mainstream media rely on same pool of sources which gives the public a homogeneous picture.
- The more original your sources are, the more original your stories will be.
- Don’t rely on the same 3 or the same 10 or 20 sources because you will get the same opinions and stories from them.
- If you rely on same sources as your competitors, you will always get same stories, same information.
- A good new source can mean new original stories and scoops. It keeps your reporting fresh.
Never enough sources

- Journalists should constantly seek more and better sources.
- Look for unusual, underused, underquoted sources.
- Don’t rely on a source just because they are quotable or talk in sound bytes.
Lesser used sources

Here are some lesser known, lesser used sources of good information and story ideas:

- Professional quarterlies,
- Association newsletters from business or industry groups, unions
- Consumers groups
- Academic publications
- Trade magazines
How do you get sources?

- There are many ways to get sources.
- You probably won’t be starting from scratch.
- Check if you can inherit some sources from reporters who came before you.
- At first, you may have to rely on sources quoted in other media, especially if you are working in a country where people are reluctant to talk to the press.
- Check databases and the internet for similar stories and see who they quote.
But try to expand to find your own sources.

When you are talking to a source, ask them to recommend other people who are good on the same subject.

Research – check the web and databases for experts on the subject.

Cold calling to institutions that might have an expert on your topic can also produce sources.
More news sources

- analysis by investment banks
- request daily and weekly commentaries by email from analysts, commentators. These are a rich source of story ideas
- Investment banks often send out daily, weekly, monthly and quarterly analysis of companies and markets by email
- When starting up a beat, call around, and make sure you are on the mailing list of everyone involved
SOURCING TIPS

- Compile your list of sources in a database, like Microsoft Outlook. It makes your life easier.

- Compile a list of Web sites that may carry news on your topic, bookmark them and check them regularly for news.
How do you develop sources?

- **Spend time talking to them.**

- If a source is willing to stay on the phone with you for a while and you can afford the time, this is never a waste. Discuss the issues of the day or ask about some historical events or past scandals, geopolitics or even where they like to vacation. Get to know each other. Find out what their area of expertise or interest is. The longer you spend on the phone, the more likely you are to get interesting story ideas or interesting elements for your stories.
Cultivating Sources

- The better a source gets to know you, the more likely they are to pick up the phone when you call, to trust you with information, to call you with tips.

- Also, don’t forget your sources often view their relationship with you as a two way street. Some sources like to talk to reporters to get a sense of what other people are thinking, what is the consensus. You have something to offer them.
Take your source to lunch

- Meet your sources face to face.
- Ask your news organization if they will pay for a source lunch or drinks after work. It’s part of the game. It’s a lot like developing a relationship or a friendship. The better you know each other, the more fruitful the relationship.
What needs a source in a story?

- The general rule is cite a source for everything in the story that is not an established fact or completely obvious.
- If you write that the stock market on Wall Street closes at 4 p.m., you do not need to attribute this to a source.
- However, if you say the market is expected to close at 4 p.m. with a big rise in share prices, this does need to be attributed to someone. (traders said, analysts said etc).
- Identify your sources high up in the story, preferably in the first few paragraphs.
How to cite a source

- Always give the source’s full name, title, institution name immediately following their first quote or first attribution.
- Make sure to get the attribution right: The spelling, the correct name and the institution and title. Few things can alienate a source more than making any kind of a mistake in quoting them or identifying. It does not make for a good trusting relationship.
- Sources want to know they are going to be quoted accurately and getting their name and title right just shows attention to detail and builds trust.
How many sources do you need?

- Conventional wisdom is anything in your story that is in any way controversial, under contention or an exclusive scoop should be attributed to more than one (at the very least two) authoritative sources.
- The two source rule is a good one to follow. If you are writing an analysis, a theme piece or a news feature, at least three sources.
- In general the more sources the better.
Naming sources

Cardinal rule of sourcing: A named source is always superior to and infinitely more credible than an unnamed source
On/Off the Record

- A story based on unnamed sources is weaker than a story based on identifiable sources.
- Make every effort to get your sources to go on the record with their name. Use persistence, patience, persuasion and charm to convince them. You may have to first prove you can quote them accurately before they will go on record.
- If someone insists on speaking anonymously, and this is a condition for an interview, do the interview and then...
- Afterward, you can always call back and ask them if you can use a specific quote with their name. You’d be surprised how often people will agree to being quoted if they know exactly which quotes will be used.
Anonymous sources

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Quoting an unnamed source

- If you must quote an unnamed source, do not simply say “a source said”. Use the best descriptor possible to let the reader know where this information is coming from.

- For example if you are quoting someone in government, you can say “an official source” or a company officer, you can say, a company official said.

- Other possibilities are a diplomatic, an industry source, a trader, an investor etc.

- Describe the source as best as possible without revealing their identity. The more specific the description of the source, the more credible the attribution.
Anonymity

- Make clear that it was the source who asked not to be named. Rather than using “an unnamed or unidentified source” say, a source, who asked not to be named, said...

- Avoid terms like a “reliable” source, a “well-informed” source or “an authoritative source”, they are not specific enough.
Quotations

- One of the biggest gripes of sources is that their words are taken out of context. So when you quote someone, be sure to put the quote in the context it was given.
- Absolutely essential to quote accurately. Anything with a quote mark around it must be verbatim what the source told you.
- The Associated Press style manual says never alter a quotation even to correct minor grammatical errors or word usage.
- According to the Associated Press style manual, full quotes are always preferable to fragments. Fragments of quotes should be avoided whenever possible.
- If the quote is awkward and you can say it better yourself, it is often better to paraphrase.
If you can say it better...

- A quote is used for adding credibility to the story, i.e. confirming the most important news points, and when the speaker says it better than you can. Otherwise, paraphrase.
**Attribution**

- When attributing a quote, use “said” in almost every case.
- Don’t try to use fancy synonyms for “said” such as “opined”. “Said” cannot be overused.
- Beware of loaded attribution words such as “claimed” or “according to” because these can connote that the writer doubts what the source has said in the quote.
- Make sure to say where you got the information or where you heard/saw the source make the statement. Was it in a statement, in an emailed commentary, in a phone interview, in a news conference etc. If the person was quoted in another publication, you must say, said in an interview with newspaper X or magazine X.
REPORTING

- **Ask the right questions**
- Good reporting boils down to a few things: Accuracy, preparation, good sources and asking the right questions.
- Asking the right questions is perhaps one of the most important skills a journalist needs to develop.
- Good questions come out of knowledge and understanding of the topic you are covering.
- Spend time researching your stories on databases or the web, talk to sources extensively, consider taking a course related to what you are covering to develop expertise.
Ask the tough questions

Don’t shy away from asking a provocative or controversial question. Confront the issues head on, even if it makes the source uncomfortable or puts them on the spot.

For accuracy, always use a tape recorder and take meticulous notes on an interview or reporting assignment. Phone conversations can also be recorded. Check the laws of your country or state to see if you need to ask permission to record a phone conversation.

Usually you would ask many of your sources if they mind being taped.
Preparation

- Always go into an interview or a news event fully prepared.
- Have your research done, your questions prepared, typed out and printed.
- Have a tape recorder and tapes, extra batteries, your cell phone to call in any scoops, notebooks, pens and paper.
- Arrive on time. Demonstrate to the source that you are knowledgeable and prepared.
INTERVIEWS

Seek out interviews with the most important sources on your beats – the company CEOs, the top regulators of the industry, the head of the stock exchange etc. This assures you a steady stream of original stories that will attract reader interest.
Balance is essential in good reporting. We are striving for objectivity always.

Present both sides of the story. If someone is attacked or criticized or accused of doing something wrong or inappropriate, present the other side.

Always always seek comments from anyone who is accused of doing anything wrong in your story.

If you can’t get it, make sure to say in the story: “Company X could not be reached to comment on the allegations.” Be as specific as possible. “Repeated calls to the office of company Ys were not returned.” Show that you made a good-faith effort to get both sides of the story. Keep following up your efforts.
A Primer on Wall Street Analysts

Initially, Wall Street analysts were truly independent. Most worked in small firms – what we now call boutiques – preparing research for large institutional investors on the longer-term outlook for companies and stocks. Many brokerage firms also had their analysts, whose expense was indirectly covered by the brokerage industry's high and fixed trading commissions.
Even from these first days of equity analysis, the two distinct camps that we know as “buy side” and “sell side” were apparent. The former advised financiers, money managers, executives and Wall Street firms on where to invest their money (what to buy); the latter worked with retail brokers, who forwarded the analyses to customers, often in the form of a pitch (what to sell).

As a result, the sell-side camp – now far larger, more visible and more determined to get publicity – became part analyst and part cheerleader, almost from the start.

Over the decades, it became a custom, a staple and a bad habit of business journalism, even at many of the best news organizations, to rely on analysts for interpreting news.
Wall Street analysts

- And analysts were quoted abundantly – as the first “framing” quote or two to appear in an article, before any principals at the companies' being discussed.

- At workshops not so different from these, more than one experienced trainer or financial journalist said: “Wall Street analysts and journalists are not so different. Each relies on research, interviewing and in-the-field reporting to produce reports that contain facts and interpretation or analysis. The primary difference is the audiences for those reports. (And, of course, the stunning disparity in respective salaries.)
Wall Street analysts

- While it is true that many of the tools of the trades are similar (just as they are for playwrights and reporters), the difference was obviously more than a matter of audience.

- Journalists, presumably, were neutral parties whose mission was to help the public understand the business and financial environment, and, if readers were so inclined, to help them make sensible investments. Analysts, in contrast, had a mission of helping their brokers sell stocks, bringing in revenue.
Wall Street analysts

Over the years, too many journalists became reliant on analysts, a tendency fed by their own lack of training and expertise in understanding financial data. They were happy to have good quotes, and to have someone tell them what an earnings statement meant. Some analysts were so determined to generate this free publicity for themselves and their firms that they didn't even wait for reporters to call – they took to faxing, and later e-mailing, their trenchant quotes to reporters as soon as the news broke. And far too many reporters and news organizations, even at the highest levels, began putting this material uncritically into the paper.
Wall Street analysts

At a minimum, some editors and trainers argued then, journalists should tell readers what the analysts' recommendations were (to disclose the self-interest behind the quote). Even better, we argued, every reporter should ask every analyst: “Does your firm have a position in this stock? How large? Acquired when?” Some journalists listened, and others did not.