

Don't bet newspapers will get rich shunning Google

November 30 2009, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- There's an intriguing idea floating around the media: Microsoft Corp. wants to undercut Google so badly in Internet search that it might pay newspapers to withhold their content from Google. Just don't count on that turning into a lucrative plan for newspapers.

The unorthodox strategy faces stumbling blocks, starting with this one: [Microsoft](#) is unlikely to fund a [Google](#) boycott, according to three people familiar with Microsoft's discussions with a variety of publishers. These people spoke on condition of anonymity because the talks are still in early stages.

That contradicts other unnamed people who told the Financial Times and other newspapers that [News Corp.](#), the owner of The Wall Street Journal, is discussing a plan that would block Google from indexing its content in return for an unspecified payment from Microsoft.

The sources in the conflicting reports agree on one point: Microsoft is in talks with a wide range of media outlets, including The Associated Press, about ways that its [search engine](#), Bing, might be able to showcase stories, photos and videos in a way that distinguishes it from Google.

The discussions could result in new revenue-sharing agreements or other payments - but they wouldn't necessarily require News Corp. or other publishers to shun Google.

In theory, getting news organizations to block Google from including

links to their content might give Microsoft a slight edge over its nemesis. Bing would have a trove of material that its rival didn't, giving people more reason to search somewhere besides Google. Google handles more than six times as many Web searches as Bing, a lead that Google has translated into billions of dollars in annual revenue from ads that the company sells alongside search results.

But even if it were willing to pay for exclusive indexing rights to some newspapers, Microsoft then would have to spend heavily to make sure Web surfers knew Bing had stuff that Google didn't - and even that might not be enough to get people to break their Google habit, said Forrester Research analyst Shar VanBoskirk.

"The reality is that people have been trained to go to Google for information, so if you are not showing up in Google, that hurts," she said.

Newspaper Web sites need all the traffic they can get, because the revenue they're collecting online is not close to making up for what they're losing in print. Print advertising revenue - the main source of income for newspapers - is in a three-year slump and on pace to slip to its lowest level since 1987.

More than 21 percent of the clicks to newspaper Web sites come from Google, according to the research firm Experian Hitwise. Just 2 percent come from Bing, fewer than the referrals from Facebook, Yahoo and the Drudge Report.

Even publishers who are thinking about limiting Google's access to some newspapers realize it probably would be counterproductive to cut all ties with a search engine that is so pivotal in Internet navigation.

"We are in no shape or form at odds with Google," said William Dean

Singleton, chief executive of MediaNews Group Inc., a private company that owns more than 50 daily newspapers, including The Denver Post and San Jose Mercury News. "There is no question that Google provides us with a large audience for our content, which we monetize with ad revenue."

Singleton probably will block Google from showing more than mere snippets from two MediaNews newspapers, the York Daily Record in Pennsylvania and the Enterprise-Record in Chico, Calif., that plan to start charging to read some of their content early next year. The rest of MediaNews' newspapers will remain fully available to Google, according to Singleton, who is also the AP's chairman.

Yet some publishers don't see Google as an ally. They contend Google's prosperity depends partly on its search engine's ability to show capsules of newspaper stories and photographs, without paying for the privilege.

Or they complain that the Web surfers who come to newspaper sites from Google's search engine often just read one story and then leave.

"A lot of it is just 'fly-by' traffic," said The Dallas Morning News Publisher James Moroney. "It not the kind of online relationship I am looking for. I want people who are going to come to our site multiple times a month."

Pulling the Morning News and other newspapers published by owner A.H. Belo Corp. out of Google's search index is among the options that are being considered if the publications decide to impose fees to read their stories online, Moroney said. The company isn't close to making a decision - and Microsoft hasn't offered any money as an inducement, Moroney said.

Tom Curley, the AP's chief executive, has publicly suggested the not-for-

profit news cooperative might favor one search engine over another as it negotiates new licensing agreements with Google, Microsoft and Yahoo Inc. The AP declined a request to interview Curley or another executive for this story.

Google maintains that its search engine has been a boon for publishers because it drives millions of visitors to their Web sites each month.

"Each of those visits offers a business opportunity for the publishers to show ads, win loyal readers and sell subscriptions," said Google spokesman Gabriel Stricker.

News Corp. declined to comment for this story. However, the company, run by Google critic Rupert Murdoch, has an added incentive to cozy up to Microsoft now. News Corp. is getting at least \$900 million from Google over three years in exchange for letting Google sell ads on MySpace and other News Corp.-owned sites. Google has expressed disappointment with how the MySpace deal panned out, so News Corp. may need to keep Microsoft in the picture to improve its negotiating leverage.

Despite its reported flirtations with Microsoft, News Corp. evidently still thinks highly enough of Google's search engine to pay it for traffic. Entering the words "financial news" into Google's search engine over the past week triggered an advertisement from The [Wall Street Journal](#). Anyone clicking on that link would be sent to the newspaper - and would put more money into Google's pocket.

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