

# Google unveils new moves to boost struggling news organizations (Update)

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Google has unveiled new measures aimed at helping news organizations drive more subscriptions and generate revenues

Google announced new steps to help struggling news organizations Monday—including an end to a longstanding "first click free" policy to generate fresh revenues for publishers hurt by the shift from print to digital.

The moves come amid mounting criticism that online platforms are

siphoning off the majority of revenues as more readers turn to digital platforms for news.

"I truly believe that Google and news publishers actually share a common cause," said Google vice president Philipp Schindler.

"Our users truly value high quality journalism."

Google announced a series of measures, the most significant of which would be to replace the decade-old policy of requiring news organizations to provide one article discovered in a news search without subscribing—a standard known as "first click free."

This will be replaced by a "flexible sampling" model that will allow publishers to require a subscription at any time they choose.

"We realize that one size does not fit all," said Richard Gingras, Google's vice president for news.

This will allow news organizations to decide whether to show articles at no cost or to implement a "paywall" for some or all content.

Gingras said the new policy, effective Monday, will be in place worldwide. He said it was not clear how many publishers would start implementing an immediate paywall as a result.

"The reaction to our efforts has been positive," he told a conference call announcing the new policy.

"This is not a silver bullet to the subscription market. It is a very competitive market for information. And people buy subscriptions when they have a perception of value."

Google said it is recommending a "metering" system allowing 10 free articles per month as the best way to encourage subscriptions.

News Corp chief executive Robert Thomson, whose company operates the Wall Street Journal and newspapers in Britain and Australia, welcomed Google's announcement.

"If the change is properly introduced, the impact will be profoundly positive for journalists everywhere and for the cause of informed societies," said a statement from Thomson, a fierce critic of the prior Google policy.



Google says it hopes to help publishers with "one click" subscriptions with their Google or Android accounts

Thomson and others had complained that "first click free" penalized news organizations that declined to participate by demoting their articles in Google searches.

"The felicitous demise of First Click Free (Second Click Fatal) is an important first step in recognizing the value of legitimate journalism and provenance on the Internet," he said.

## **One-click subscriptions**

The California tech giant also said it would work with publishers to make subscriptions easier, including allowing readers to pay with their Google or Android account to avoid a cumbersome registration process.

"We think we can get it down to one click, that would be superb," Gingras said.

He explained people are becoming more accustomed to paying for news, but that a "sometimes painful process of signing up for a subscription can be a turn off. That's not great for users or for news publishers who see subscriptions as an increasingly important source of revenue."

Google would share data with the news organizations to enable them to keep up the customer relationship, he added.

"We're not looking to own the customer," he said. "We will provide the name of user, the email and if necessary the address."

Gingras said Google is also exploring ways "to use machine learning to help publishers recognize potential subscribers," employing the internet giant's technology to help news organizations.

He added that Google was not implementing the changes to generate

revenues for itself, but that some financial details had not been worked out.

Google does not intend to take a slice of subscription revenues, he noted.

"Our intent is to be as generous as possible," he said.

Research firm eMarketer estimates that Google and Facebook will take in 63 percent of digital advertising revenues in 2017—making it harder for news organizations to compete online.

Facebook is widely believed to be working on a similar effort to help news organizations drive more subscriptions.

Google created a "Digital News Initiative" in Europe in 2015 which provides funding for innovative journalism projects.

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