Google, McClatchy collaborating on local news experiment
26 March 2019, by David Bauder

Google and the McClatchy publishing company say they will work together on an experiment launching three digital-only outlets to provide local news in U.S. communities that are currently news "deserts."

Besides providing news to the three communities, which the companies haven't named yet, the idea is to test business approaches that could revive local journalism. More than 1,800 U.S. newspapers have closed over the past 15 years, most of them in small towns, according to a University of North Carolina study. Big-city newspapers also suffering declines in staff and circulation.

Google will provide the money and won't be involved in the newsrooms, said Craig Forman, McClatchy's president and CEO.

"Our objective at McClatchy is to explore new models for independent local news and information," Forman said in a blog post on Tuesday. "Google's objective is to test the business models and operational aspects necessary to succeed in local news. Ultimately, those findings may lead to Google expanding its tools and services to enable other companies to do similar work."

Google said the project is part of its $300 million, three-year news initiative. Among the other ideas it is testing is an easy-to-use system allowing people to subscribe to various publications, with the Guardian and Washington Post among the participants.

There's been a flurry of philanthropic and experimental efforts recently aimed at arresting the decline in the local news industry, although finding new business models has proven elusive.

Meanwhile, a study issued Tuesday by the Pew Research Center further illustrated some of the problems facing the local news industry.

Pew found that only 14 percent of American adults said they had paid for local news within the past year, such as through a subscription, donation or membership. Asked why, half of the people questioned said there was free content available to them. That's not surprising, because people told Pew that television and radio was the most-preferred source of local news.

The idea that the local news industry is suffering hasn't reached most of the potential customers. Pew found that 71 percent of Americans believe their local news outlets are doing very or somewhat well financially.

"Certainly, any attempt by the industry to inform consumers about their financial challenges seems to have gone unheard," said Amy Mitchell, Pew's director of journalism research.

The study is based on a survey of nearly 35,000 adults on Pew's American Trends Panel and Ipsos' Knowledge Panel, taken between Oct. 15 and Nov. 8, 2018.