

Google—written evidence (FOJ0080)

House of Lords Communications and Digital Committee: The Future of Journalism

Introduction

1. We welcome the opportunity to respond to this important inquiry. At Google, our mission is to organise the world's information and make it universally accessible and useful. That means connecting people with credible, timely and relevant information from a wide range of sources. Supporting authoritative news content delivered through high-quality journalism is important to that.
2. In a February 2016 speech, Google's CEO, Sundar Pichai, outlined Google's belief in a symbiotic relationship between Google and high-quality journalism:

Google cares deeply about journalism—yes, because of the crucial role it plays in democratic society, ensuring the spread of knowledge and the free flow of information. But also because our users value high quality journalism. The value of our services, like search, is directly related to having a rich and sustainable knowledge ecosystem. Put simply, our futures are tied together.¹

3. The internet has undoubtedly transformed the world of journalism, how audiences discover stories and how they are shared. It has reduced barriers to entry in news and, twinned with the ubiquity of the connected devices, means people are now consuming more news content from more sources than ever before, as Ofcom research shows.² This shift has affected the revenue streams that publishers have traditionally relied on. Readers no longer go to newspapers for classified listings of jobs, apartments, or used cars. Instead, they go online to access a new world of options, whether that's apartment listings, or for the latest food and fashion tips, movie reviews and recipes. Advertisers have followed suit, increasing spending on the websites of thousands of online publishers and service providers; they now have enormous choice in how they reach people online. The consequence was captured clearly in the Cairncross Review, where it speaks of a need to focus on "innovations in technology and in business models, and to ensure sustainable private provision of public-interest news".³
4. Google is absolutely committed to helping news organisations and journalists to succeed and does so through a number of industry-leading ways, including:
 - by driving large volumes of readers at no cost to news content through services like Google Search and Google News (more than 8 billion visits a month to European news sites at an average value of between €0.04-0.06 a visit)⁴;

¹ Sundar Pichai (2016) "Knowledge for Everyone", accessible at: <https://blog.google/around-the-globe/google-europe/knowledge-for-everyone/>

² Ofcom (2019) News Consumption in the UK

³ Cairncross Review (2019) Accessible at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf

⁴ Deloitte (2016) The impact of web traffic on revenues of traditional newspaper publishers, accessible at:

- funding journalism training and programmes that drive innovation in technology and business models through the €150 million Digital News Innovation Fund (2015-18) and the subsequent \$300 million Google News Initiative (launched in 2018);
- developing advertising technology to allow publishers to continue drive digital advertising revenues (on average, Google shares at least 70% of advertising revenues with publishers); and
- partnering with news organisations to develop innovative technologies to drive their revenue streams, such as “Subscribe with Google”.

These are ultimately aimed at helping news organisations to continue producing high quality journalism and are discussed in more detail below.

5. The digital transformation of news impacts journalists too, who require the right digital skills to work in an increasingly digitised industry. This is also discussed below, along with the extensive work of the Google News Initiative (GNI) and Google News Lab in helping journalists develop these skills.
6. The COVID crisis is accelerating the need for innovation in the news industry. At this time of crisis, citizens need authoritative news and journalists need support to carry on reporting. That is why Google has taken an unprecedented suite of measures to support the UK’s news industry, from the smallest outlets to the largest publishers. This includes:
 - **Google’s [Journalism Emergency Relief Fund](#)** which will deliver grants to newsrooms employing two to 100 journalists. The Fund’s aim is to support the production of original journalism for local communities in the face of the COVID-19 pandemic and provides an easily-accessible route to financial assistance at this critical time.
 - **[A five month waiver of Google Ad Manager ad serving fees](#)** for news publishers. With these efforts, we aim to help news organisations reduce some of the cost of managing their businesses, thereby funding important journalism.
 - A **[\\$6.5m donation to fact checking organisations](#)**. This includes support for First Draft which provides an online resource hub, dedicated training and crisis simulations for reporters covering COVID-19.
 - A **[\\$1m donation to the International Center for Journalists and the DART Center for Journalism and Trauma](#)** to provide immediate resources to support reporters covering the pandemic.
 - **[Over \\$30m of Google ads credits to UK SMEs](#)** to enable them to continue to contribute to the advertising ecosystem.
7. These are closely aligned with the recommendations from Enders Analysis to Government on how to support high-quality journalism at this challenging time and we

<https://www2.deloitte.com/uk/en/pages/technology-media-and-telecommunications/articles/the-impact-of-web-traffic-on-revenues.html>

welcome the opportunity to use this evidence to share more on our support for journalism with the Committee.⁵

2) How have digital technologies changed the consumption of journalism?

4) How have digital technologies changed the production of journalism? Do journalists have access to the training necessary to adapt to the digital world?

9) How can innovation and collaboration help news providers of all types to maintain sustainable business models and adapt what they produce to audience demand? What lessons can be learnt from successful innovations, including in other countries?

8. Digital technologies mean news is now consumed across a variety of devices and in different ways. People now read news across a range of devices, with Ofcom research showing citizens tend to access their news across a variety of sources, with 75% accessing via TV, 38% via printed newspapers and 66% via the internet.⁶ According to Ofcom, the proportion of people accessing news via the internet has doubled in only five years.⁷ There has also been a shift in how people view news online, with the majority now accessing news via a smartphone rather than a computer.⁸
9. As Google Chief Economist Hal Varian argues, this has had an impact on how people read and digest news. Instead of reading through an entire newspaper, people are now as likely to read one article at a time, at different times of the day. Newspapers were traditionally read during leisure time but online news is read throughout the day. Consequently, readers have less time to devote to in-depth reading of news and, with this, they see fewer ads for a shorter period of time. Additionally, where people once read a newspaper to get information about news, sports, business, entertainment and so on, there are now many more resources dedicated to these specific focus areas.⁹
10. Digital technologies have also reduced barriers to entry, for example through the reduction in distribution costs. This has led to an unprecedented growth in the number of outlets, down to individual "citizen journalists" able to reach audiences on platforms such as YouTube. People also have access to a far greater diversity of journalism. For example, minority voices and perspectives are now much better served with digital technologies. The likes of Gay Star News and Pink News have, alongside the online operations of long-standing magazines such as Attitude and Gay Times, provided comprehensive news from a LGBTQ perspective. Publications such as The Voice have also been able to use the internet to expand their reach to BAME communities. Sites such as 'Gal-dem', with a focus on the female BAME perspective, have been possible because of the internet.
11. This shift has also had a positive impact on the readership of local news. Research by WPI Economics, funded by Google, has shown that local publishers are now reaching considerably more readers than was the case before the internet - the challenge is monetising this changed behaviour. The Liverpool Echo, for example, has over

⁵ Enders Analysis (2020) accessible at: <https://www.endersanalysis.com/reports/enders-analysis-calls-government-support-news-magazine-media>

⁶ Ofcom, *News Consumption in the UK: 2019*, p13

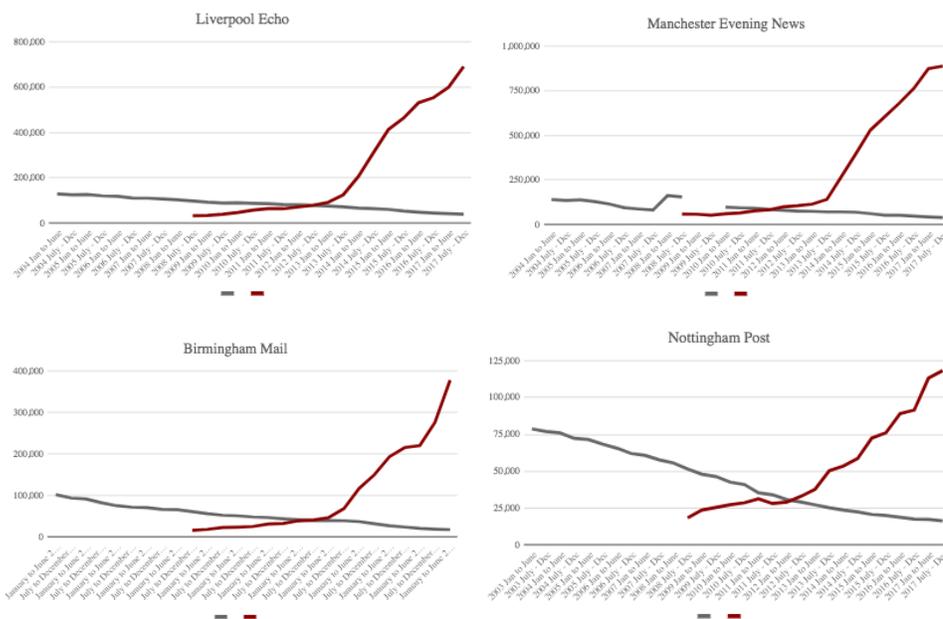
⁷ Ofcom, *News Consumption in the UK 2019*, p17

⁸ Reuters Institute Digital News Report 2017.

⁹ Hal Varian, *The Economics of the Newspaper Business*, Lecture to the International Journalism Festival, 25th September 2013.

690,000 unique daily users, compared to the 129,000 who bought the paper in 2004. Since 2003, the Manchester Evening News had a peak physical readership of 163,000, but now boasts 888,000 unique readers.¹⁰ As the charts below show, this is a pattern that is replicated across local newspapers (the red line indicates unique online readers and the grey line physical readers).

Figure 1 - Unique physical and online readership of local newspapers since 2000



- Specialised entrants and lower barriers to entry in digital news have increased the breadth of journalism. They have also increased competition for attention as people can now go to many other sources for information where they once turned to newspapers. Consequently, traditional business models are having to adapt to a more competitive information marketplace. Classified advertising offers a good illustration of how greater competition has affected traditional news business models. In the past, classifieds represented between one-quarter to one-half of a newspaper's revenue. This has been largely supplanted by the creation of specialised online marketplaces for job recruitment, househunting and car sales, such as Gumtree and Rightmove. The resulting declining advertising revenues from traditional sources have challenged the conventional business models for journalism. While the appetite for quality news is higher than ever, the challenge is for publishers is to develop sustainable business models and for journalists to have the skills required as the news evolves.

Journalists will need the appropriate skills as publishers evolve their business models

- As news consumption changes and publishers adapt their business models, journalists' skills must evolve to ensure they can thrive in a digital world. Google is committed to supporting journalists, providing training so that they can take full advantage of the free tools and training courses available free online through the GNI, and working with them to drive forward exciting new projects.¹¹

¹⁰ WPI Economics analysis of ABC data as part of research paid for by Google

¹¹ See e.g. Google News Initiative Data tools for News Organizations, accessible at:

14. Google News Lab is a team within the Google News Initiative whose mission is to collaborate with journalists and entrepreneurs to drive innovation in news. News Lab brings the best of Google technology to tackle important challenges in journalism today.
15. In the UK, we have provided almost £3 million worth of free training to 20,000 journalists in-person and online, providing tools training in news organisations of all sizes. We've run over 380 workshops and events in newsrooms, universities and public venues across the country - with over 5,600 trained on digital verification techniques to support fact checking. We're equipping UK journalists with data journalism skills (8,000+ trained), supporting them to explore digital mapping and visualisation (7,800+ trained) and strengthening their newsgathering and research skills (8,300+ trained).
16. We're also funding the [Centre for Investigative Journalism](#) to run their 'Access to Tools' training initiative across the country - for a third consecutive year they'll provide 25 free workshops in local newsrooms. Since 2015, we've partnered with the European Journalism Centre to provide a series of large training conferences in Birmingham, Cardiff, Manchester and London to help journalists expand and strengthen their digital skills. We're continuing to support the next generation of data journalists with our annual student fellowship through which we fund summer newsroom internships to 10 UK publishers.
17. In 2019, we piloted three new training events to support sales teams working within local news outlets - over 150 attended two day workshops in Edinburgh, Manchester and London. Topics covered during included digital advertising, subscriptions and analytics. This built on a previous workshop in York, where we tailored content to 20 representatives of independent local publishers.
18. Once again, COVID-19 has led us to consider what support journalists might need at this time when trusted news is critical. To that end, we have made sure our tools and courses are freely available so that journalists can turn to a trusted resource when reporting in a crisis.¹² We also recognise that reporting in a time of crisis can affect journalists' wellbeing and mental health. In order to support journalists with the psychological tools and resources they need, Google.org has made a \$1m dollar donation to the International Center for Journalists and the DART Center for Journalism and Trauma. This will help these organisations continue to provide the rounded support they offer to journalists reporting on the frontline.
19. These initiatives underline Google's commitment to directly support journalists to develop new skills as the news industry evolves. While we know there is always more to do, we were heartened by the finding in the 2020 Reuters Digital Leaders Survey that 60% of respondents rated Google as average or above average at supporting journalism - almost twice as high a percentage of any other major technology platform. The below chart shows how publishers rate platforms in supporting journalism, based on the percentage of respondents rating platforms as average or above.¹³

<https://newsinitiative.withgoogle.com/training/datatools> and Google News Initiative training courses, accessible at: <https://newsinitiative.withgoogle.com/training/>

¹²

Ibid.

¹³

Reuters, Journalism, Media, and Technology Trends and Predictions 2020, accessible at: <http://www.digitalnewsreport.org/publications/2020/journalism-media-and-technology-trends-and->



Innovation is central to creating sustainable business models

20. As set out in the introduction, the Cairncross Review has called for a focus on innovations in technology and business models to maintain sustainable, high-quality journalism in the future. Google has worked with publishers and others involved in the news industry for many years in order to help them meet the challenges posed by the internet and innovate to sustain and monetise high quality journalism. Many publishers have already developed innovative business models through subscriptions, membership models and increased engagement with their communities. The Times, for example, has 255,000 digital subscriptions and 245,000 print ones. Hyperlocal sites, such as the Brixton Bugle and the Bristol Cable and investigative journalism sites, such as Full Fact, the Bureau of Investigative Journalism and the Ferret, have also grown by investing in specialist reporting.
21. While the current lockdown has had a tremendous impact on newspaper revenues, it has also shown the impact of innovative approaches among some of those publishers that have been embracing digital. In April 2020, The Guardian, which is a leader in transforming its business model, reported that it now has 821,000 readers providing financial support, allowing it to be financially sustainable for the second year running. This is while making high-quality journalism absolutely free to readers.¹⁴ Both The Guardian and The Daily Telegraph have surpassed 1 million YouTube subscribers to their channels, showing leadership in embracing new news formats and recognising other revenue streams. This comes as a wide range of sources indicate that lockdown measures have sent online news readership surging, as set out by groups such as Enders Analysis. The dramatic rise in online readers marks the acceleration of an existing trend and gives greater urgency to the need to innovate now.
22. We will continue working with publishers to continue to champion innovation. Google announced in April 2015 the €150 million Digital News Innovation Fund (DNI Fund) to elevate quality journalism by supporting innovative projects across Europe. This has included over £10.5 million in funding for 66 cutting-edge British publisher projects, including a number of local newspaper groups, such as Reach and the Bureau of Investigative Journalism. The latest report of the DNI Fund is available on the DNI Fund website.¹⁵ The DNI Fund was the precursor to the \$300 million Google News Initiative, which is now Google’s key initiative to support journalism and champion innovation in the news industry.

[predictions-2020](#)

¹⁴ The Guardian, 29 April 2020: [Guardian Reports Surge in Readers’ Support over Past Year](#)

¹⁵ DNI Fund 2018 Report accessible at: <https://newsinitiative.withgoogle.com/dnifund/report/european-innovation-supporting-quality-journalism/>

23. As the Cairncross Review also noted, local news organisations in the UK play a particularly important role in terms of serving their communities. This is why we launched the Local Experiments Project, as a part of the GNI's effort to help local journalism find ways to survive and thrive in the digital age and to share the lessons with the rest of the industry.
24. The Local Experiments Project provides funding to our partners to allow them to experiment and rethink all aspects of a local news operation -- from storytelling to business to operations. In late 2019, we launched Project Neon, an innovative [partnership with Archant](#), aiming to launch new localised digital services for regions identified as being currently underserved by local news.¹⁶ The project will build new all-digital news platforms for those communities, created in a concerted effort to reverse the commercial challenges local news publishers have faced in the past decade, and has already launched its first project in Peterborough.¹⁷
25. In addition to these projects, it is important to note the other ways in which Google is helping to drive innovation and support new business models in the news industry. Deloitte research found that Google sends more than eight billion visits to European news publisher websites each month, or more than 3,000 visits every second. Each click delivers measurable economic value to publishers of every size, every day. For large publishers, Deloitte estimates that each one of the clicks that Google sends to them is worth between 4 and 6 euro cents,¹⁸ and on average, we share more than 70% of the revenue generated via our ad technology products with publishers. We also aim to elevate high quality news content: this includes strengthening our ranking algorithms to elevate original journalism¹⁹ and working with the Trust Project, a consortium of top news companies, which has developed "eight indicators of trust" around authoritative journalism.²⁰
26. We work in partnership with news organisations to drive a range of technical innovations to help them digitise. A good example is 'Subscribe With Google', which allows people to subscribe to their favorite news publications with great ease. The technology, built in collaboration with news publishers, now has 93 partners from 21 countries signed up. The vast majority of the revenue of these subscriptions is shared with the publishers, helping them drive greater revenues through readership revenue models.²¹
27. Our partnership with news publishers also led to the development of the open source Accelerated Mobile Pages, which reduced mobile load times from 19 seconds to less than a second, allowing for a seamless newspaper experience on mobile devices. As smartphones become a key device for accessing news, it is vital to ensure pages

¹⁶ Google (2019) "An Experimental Lab for Local News" accessible at: <https://www.blog.google/outreach-initiatives/google-news-initiative/project-neon-archant/?fbclid=IwAR047RvHBbNp9jPrDuOMkfFBi6VDIt2rzxj-v-e1-mhGodjms4m4PpEoYQ0>

¹⁷ Google (2019) "A home-grown news site for Peterborough", accessible at: <https://www.blog.google/outreach-initiatives/google-news-initiative/home-grown-news-site-peterborough/>

¹⁸ Deloitte (2016) The impact of web traffic on revenues of traditional newspaper publishers, accessible at: <https://www2.deloitte.com/uk/en/pages/technology-media-and-telecommunications/articles/the-impact-of-web-traffic-on-revenues.html>

¹⁹ Google (2019) Elevating original reporting in Search, accessible at: <https://www.blog.google/products/search/original-reporting/>

²⁰ See <https://thetrustproject.org/>

²¹ See <https://blog.google/topics/google-news-initiative/introducing-subscribe-google/>

render fast and accurately so that readers have a good experience and are highly engaged with the site.

28. We have also created a number of free tools especially for news publishers. These include:
- News Consumer Insights:** this allows news organisations to understand which readers drive value on their site; the most effective ways to reach consumers; how to build a loyal user base; ways to improve engagement with users; and how to convert users into paying consumers through subscription or patronage.
 - Real Time Content Insights:** which displays information about how pages are performing in real time. These real time insights allow news organisations to take dynamic decisions to engage their readers.
 - Data Maturity Benchmark:** this helps news organisations understand how “mature” they are in using data and provides guidance on how to develop across four stages from “nascent” to “leading”.²²
29. Innovation is the key to ensuring the continued provision of high-quality journalism and a well-functioning news market. For consumers this means continued access to a wide and diverse pool of news media, from a range of sources and viewpoints. For publishers, it means healthy competition between news providers, with continued low barriers to entry in a market that supports multiple business models that monetise quality news. We believe that current levels of innovation in UK journalism are promising and show that, with continued evolution, the future can be bright for British news.

3) How can public policy improve media literacy, particularly among those who have a low level of digital literacy?

30. The internet has given people access to more high quality journalism than ever before. However, with consumers having access to a wide and diverse range of sources and viewpoints, the ability to critically analyse the news media is more important than ever. We believe media literacy is one of the most pressing issues of the digital age.

To that end, Google is engaged in a number of media literacy programmes aimed at all ages. These include:

31. **Be Internet Citizens:** Our PHSE Association accredited programme, developed in partnership with the Institute for Strategic Dialogue (ISD), is aimed at teenagers and designed to teach media literacy, critical thinking and digital citizenship. It helps teenagers spot fake news, recognise divisive ‘us vs them’ narratives, and respond effectively to online hate speech. Launched in 2017, the programme has had significant reach across the UK and real impact for those who have received it. The latest impact report found that:
- 55,000 young people across the UK have received the training.

²²

See <https://newsinitiative.withgoogle.com/training/datatools>

- 88% of teenagers were confident they could identify fake news after being taught the programme, compared to 68% prior to it.
 - 71% felt confident they understood filter bubbles after the programme vs. 14% prior.
 - 7 in 10 teenagers were able to identify fake news three months after the programme (71%), compared with 4 out of 10 (42%) beforehand.
32. To increase the number of teenagers that can benefit from Be Internet Citizens, we have started a “train the trainer” programme. In 2019, we ran 10 workshops. Prior to the workshops, 50% of teachers said they thought digital citizenship was either badly taught or that they didn’t know if it was taught at all in their schools. Only 13% of teachers said they knew a lot about digital citizenship, compared to 39% who said they knew a little or none at all about the subject.
33. Following the training, teachers’ confidence across all 11 measures taught significantly improved, including increases in understanding filter bubbles (by 145%), echo chambers (by 119%), and fake news (by 37%). 97% of these teachers said it was very likely or likely that they would deliver some of the Be Internet Citizens resources following their training.
34. The programme continues in 2020 and we are looking at ways to continue its success as lockdown measures continue.
35. **Be Internet Legends:** a free educational programme created by Google and experts at Parent Zone to empower Key Stage 2 pupils with the knowledge and skills they need to be safe and confident online. It was developed collaboratively by leading organisations, including the Oxford Internet Institute, Department for Education and the National Crime Agency’s Child Exploitation and Online Protection centre (NCA-CEOP). The latest impact report found that:
- In 2018, Be Internet Legends delivered over 800 assemblies in primary schools across the UK, training 120,000 children.
 - Additionally, over 18,000 primary school teachers ordered the resources online, with 53% of them reporting they had used them with an average of 100 children, reaching over an estimated 955,000 children in total.
 - Approximately 9 in 10 children in years 3–4 (88%) reported being confident to speak to an adult about things they encounter online after the programme, compared with under 8 out of 10 (78%) beforehand.
 - 7 in 10 children (71%) in years 5–6 reported being confident identifying phishing, compared with just over 2 of 10 (25%) beforehand, showing developments in critical thinking capabilities online.²³
36. **NewsWise:** In association with the Guardian Foundation, the National Literacy Trust and the PHSE Association, NewsWise is a free, cross-curricular news literacy project

²³ ISD (2019) Be Internet Legends and Be Internet Citizens: Impact Report. Accessible at: <https://www.isdglobal.org/wp-content/uploads/2020/01/Be-Internet-Legends-and-Citizens-digital-report.pdf>

for 9-11 year olds. It helps teachers empower students to access, understand, analyse and participate in the news. It also provides teachers with a suite of lesson plans, online resources, school workshops and opportunities to speak to real journalists. The programme uses real examples of news stories appropriate for children and the results show a clear impact on children's understanding of and engagement with the news and produce excellent writing and reading outcomes. It was specifically welcomed in the Government's Online Harms White Paper, which also noted the need to expand the provision of media literacy to adults. Google welcomes this finding.

37. Google also provides funding, partnership and training to [The Student View](#), a programme which works with schools, businesses and the media to help young people spot disinformation, create trusted local news content, and become creative and confident writers. With Google's support, The Student View has expanded their newsrooms to schools beyond London to Liverpool, Manchester and Cardiff, boosting media literacy through 30 schools, including in a number of England's social mobility 'cold spots'.
38. In addition to our media literacy work, we think there is a role for Government in expanding measures to boost news literacy. The importance of the issue is such that news literacy should be a part of the National Curriculum at both primary and secondary level. News literacy shouldn't just stop when somebody leaves the school gates and it's key that we realise that many people who will benefit from news literacy schemes are no longer of school age. Government should consider ways of delivering news literacy training as part of lifelong learning schemes and also working in partnership with groups that have ample reach in older communities.
39. This should be considered in more detail as part of the online harms legislative process and thought given as to whether it would be appropriate to expand Ofcom's existing media literacy obligations.

10) Are there any other ways in which public policy could better support journalists and news organisations, now and in the future? Are there examples from other countries from which the Government could learn?

40. The UK has traditionally been home to a diverse and competitive news ecosystem with world-leading journalism supported by a supportive regulatory regime on issues such as copyright. This supportive regime has ensured that, while the transition to digital has created significant challenges to the ecosystem, the opportunity to adopt digital tools for newsgathering and storytelling as well as for the distribution of news has spurred innovation in the ecosystem. The emergence of new pure digital players, innovation by incumbent publishers and the continued output of world-leading journalism have managed to co-exist.
41. In contrast, other governments have attempted to create statutory regimes to support incumbent publishers to the detriment of the news ecosystem and consumers. The UK will continue to benefit from a balanced approach that supports a diverse and healthy news ecosystem, ensures that innovation can continue and consumers benefit from high-quality journalism.