

New Scenarios in News Distribution: The Impact of News Aggregators Like Google News in The Media Outlets on the Web

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Abstract

The chapter proposes a discussion about news aggregators and new digital business models such as *infomediation*, in the context of the new scenarios of news distribution on the web. In particular, it analyses the case of the news aggregator Google News: its impact, criticisms, conflicts and actions. From a broader point of view, how the *Fifth Estate* – represented by multinational technological companies on the internet, Google in this case – challenges, transforms and reassesses the *Fourth Estate* – represented by the large and small media outlets – and it imposes its conditions on a dynamic of *coopetition* or symbiosis between them in the so-called era of web 2.0.

Keywords News Aggregators, News Distribution, Digital Journalism, Google News, Media Companies

1. Introduction

The *Fourth Estate*,¹ a term often attributed to Edmund Burke in 1787 (but also to Henry Brougham in 1823-4 or Thomas Macaulay in 1828), alluded to the power exercised by the press on public opinion and its role as the first vehicle of revolutionary ideas in Europe (Galán-Gamero, 2013). “*The press has been the grand instrument of the subversion of order, of morals, of religion, and I may say of human society itself*” (Burke, 1826: 145).

Over subsequent years and the technological developments that led to the appearance of the other mass media, the term *Fourth Estate* came to refer to a range of media outlets, including press, television and radio. In 1948, Harold Lasswell identified that the mass media exercised four functions in society – 1. Environmental monitoring; 2. Correlation with the environment; 3. Transmission of culture and, 4. Entertainment (Wright, 1986: 15; Lozano, 2007: 25) – that brought out the power of the media outlets and their influence on public opinion. Behind this *Fourth Estate*, which is neither absolute nor hegemonic and carries with it its own constraints, contradictions and varying ranges of action, are the organizations or media companies and finally their owners.

The internet emerged in the last two decades of the 20th century and it was characterized as an interpersonal media and as a mass media (Cardoso, 2010: 128); for someone it was a new media, while for others it was a convergent media. Its impact has been vast, deep and transversal in all areas of society. Dutton (2009) proposed that it has given rise to the *Fifth Estate*, and technology companies, particularly those that have their base of operations on the internet, as the actors behind it.

The *Fifth Estate* is based on permanent technological developments in hardware and software that together make possible a wide range of digital services interconnected in real time and usually at zero cost in terms of money. This empowers the citizens with instruments to make their voice heard in exchange for allowing the tracking, through algorithms, of their personal information, behaviors and digital consumption with different objectives. A power that, by promoting a relationship of dependence with others sectors of society, influences, determines, indicts and controls. It is also a power that defies, transforms and revalues, among others, the *Fourth Estate* and its large and small players, imposing its conditions. More fundamentally, we must keep in perspective that media outlets, at least a large part of them, are a business and seek financial benefits and capital accumulation (Castells, 2009: 109).

1 The *First Estate*, the clergy; the *Second Estate*, the nobles; the *Third Estate*, the commoners.

2. The economics of the mass media

The development of the mass media “*is linked to the formation of complex production units adjusted to the laws of industrial production and commercial activity [where] the mass media become companies*” (Torres, 1985: 70-71). Consequently, “*such corporations are fully integrated into the market; in them the pressures of shareholders, managers and bankers are simultaneously manifested to be productive and profitable in strictly economic terms*” (Lozano, 2007: 61).

In this dynamic, news is one of the types of merchandise or goods produced and distributed by media outlets, and advertising, which has been present since the birth of each mass media, is still today the main form of financing of these cultural industries. “*From the economic point of view, what the informative good offers is only one thing: space or time. A space or time filled with two elements: news and publicity*” (Torres, 1985: 64).

The news is by definition “useful”: it is due to be an idea, event or current issue that interests the public. It is a “rarity” because its use is limited, its production is expensive – considering it requires prompt coverage, capital, resources and an organization to produce it – and it is perishable, since its validity expires a few hours later and becomes a historical asset (Torres, 1985: 51). In addition, its cost of distribution is high and the speed and efficiency of this phase determinates its perishability too. The distribution requires a sophisticated and costly organization to serve a massive and widely dispersed demand in space (Torres, 1985: 63-64).

On the web, not only have appeared new forms of news content distribution that increases their exposure to new audiences – such as news aggregators – but costs have also been reduced. The distribution of news has ceased to be an exclusive task of the media outlets to get executed by new players too, such as multinational technology companies, especially from United States. This also has meant the emergence of new business models such as the *infomediation* and with this the *infomediaries*. It should be remembered that monetization and return of investment that allows sustainability and profit is the goal that guides today any company in the so-called web 2.0. Media outlets have also explored new business models in this environment. One of these is the sale of content to third parties that has involved the intention to charge those who use it and do not pay for it – like news aggregators – either through contractual agreements between the parties or protected by laws issued by the respective authority.

3. News aggregators and *infomediatio*n

Digital intermediaries, *cybermediaries* or *infomediaries* are in the information business (digital intermediation, *cybermediation* or *infomediatio*n). They collect and organize large amount of data and they act as an intermediary between those who want the information and those who to provide it but they do not own the products or services that are sent directly from the supplier to customers (Bayonet, 2007: 11-12). Their profits are based, among others, on the information they collect about the audience's behaviors and digital consumption. The customers use them with a great level of trust because of their perceived neutrality, and they can create value by the aggregation of products and services that were traditionally offered separately (Del Águila, Padilla and Serarols, 2007: 189). "*This sounds initially a neutral and entirely positive role. But intermediaries can, through the way they carry out this activity and the charges they levy, exert significant influence over their suppliers and customers*" (Foster, 2012: 25).

Winer (2002) defines news aggregators as "*a software that periodically reads a set of news sources, in one of several XML-based formats, finds the new bits, and displays them in reverse-chronological order on a single page*". In a more recent view, Isbell (2010: 1) poses "*at its most basic, a news aggregator is a website that takes information from multiple sources and displays it in a single place*" and Foster (2012: 25) affirms "*news aggregators sites generally provide a carefully selected (or curated) package of news stories from different providers*". Examples of these are Yahoo! News, Bing News and Google News, respectively owned by multinational technology companies from United States Yahoo!, Microsoft and Google.

News aggregators are closest to establish themselves as a news media. This takes place in the way they operate, by choosing the content they want to deliver, licensing it (or obtaining it on a voluntary basis) from agencies, individual contributors, other news sources, and sometimes originating news content themselves and providing under-branded news content packages carefully curated to their customers or users (Foster, 2012: 6 and 25). So, from this perspective, news aggregators could be considered as global media outlets, and in this sense they simultaneously promote homogenization and differentiation of markets, leading to centralization and, at the same time, to dispersion of power (Cardoso, 2010: 133).

In order to obtain the information, they do not make any kind of payments neither maintain a formal relationship with the authors of the news content, although in a very few cases they may have a direct commercial relationship with some suppliers (Athey and Mobius, 2012: 2). Users can search within or browse content categories, where the news is grouped so that ones of the same topic, but from different news sources, appear together (Legerén, Herrero and Arboledas, 2011: 67). News aggregators argue they enhance media outlets visibility, web traf-

fic and the possibility to increase their profits through digital advertising and subscriptions. In addition, they claim to offer variety and diversity to the users, as well as personalization and geolocation of news.

Some multinational technology companies on the internet – like Google – in their role of *infomediaries* exercise *infomediation* through, among others, news aggregators, like Google News. The relationship between Google and mass media organizations – particularly the press – presents the characteristics of a situation of *cooptation* (Rebillard, 2010) or *symbiosis* (Lee and Chyi, 2015), that is, cooperation and competition at the same time. Both sides are forced to collaborate because one needs the services of the other, causing huge disputes between the *Fourth Estate* and the *Fifth Estate*. These *cybermediaries* companies act as digital gatekeepers, controlling information flows, selecting, sorting and distributing digital content (previous step of the selection of news media that will provide it) and in so doing, they have a potentially deep impact on how the people take part in and think about their democratic society and culture. This gatekeeping role is often beneficial to consumers, helping them find relevant content and access to new ideas, but it is also restrictive when a gatekeeper controls the access terms of the information or restricts the scope of available information (Foster, 2012: 6 and 27).

The functioning of news aggregators has not been free from criticism and controversy, mostly about the quality of the aggregate news sources. The accuse of spreading propaganda by ranking news from government-sponsored sources in countries without press freedom. Advertisements placed next to headlines, thus benefiting from the original content of others. Without guarantee of traffic, because users can feel informed just reading headlines and first lines, so they do not click to read the complete news. The practice of deep-linking involves avoiding the homepage of the website, where the most expensive advertising is located. Highly personalized news allows readers to isolate themselves from a wider discourse. It affects copyright in digital editions. It steals web traffic and audiences from the news media websites, among others. (Galbraith, 2008: 199; Madsen and Andsager, 2011: 4-5; Chiou and Tucker, 2010: 1-3)

4. Google News

Google News is the Google-owned news aggregator developed by computer engineer, now ex-googler, Krishna Bharat, following the Google Search experience during the September 11 attacks in the United States (Battelle, 2005: 143-144). Bharat and his team developed the StoryRank algorithm, based on the PageRank algorithm, to track, aggregate and organize news information obtained from diverse news media. Google News was officially released in September 2002.

Google presents Google News as a computer-generated news service that collects headlines from more than 50,000 news sources from around the world, grouping similar news stories and presenting them according to the interests of each reader, offering personalization and a broad variety of perspectives from which to choose. By clicking on the news, the user accesses directly the news media website where it was published. Articles and multimedia content are selected and catalogued using a computer system that evaluates, among other things, the frequency with which the news appears on the internet, plus the sites in which it is included and other characteristics such as freshness, location, relevance and diversity. In consequence, it claims to classify them independently of political views and ideologies.

This news aggregator shows *snippets*, made up of the news headline with a link to the webpage where it is published, the name of the news source, the first lines of the news and a thumbnail. Accompanied by video galleries, photos and related headlines (only the headline linked and the name of the source are shown), news from different suppliers are grouped according to its theme. Users can access the service for free and effect searches or explore its different sections: Top stories, World, Country, Business, Technology/Science, Entertainment, Sports, Health and More top stories.

Google News claims to have 72 editions in 30 languages, to index more than 50,000 news sources around the world and to have 1,000 million unique users a week accessing the service (Bharat, 2012). It generates monthly more than 10,000 million visits to the different news sites indexed in the aggregator (Collado, 2014). In 2015, it reported that it supported 37 languages and covered 45 countries (Kemler, 2015). However, Google News has not become the dominant platform that was initially expected and social networks like Facebook are now more important for news distribution (Bouza, 2014). Even so, in the rankings of the websites with the highest traffic in the world, such as Nielsen/NetRatings (also Alexa), Google News, in the current events and global news category, always ranks in the top twenty positions, featuring also Yahoo! News (Stanyer, 2009: 206).

The functioning and proclaimed neutrality of Google News has been questioned. It does not distinguish between reliable and unreliable news sources, it does not discern as to what or what is not news and it can be mocked, blurring the distinction between news and promotional material (Galbraith, 2008: 199-200). Automation does not guarantee objectivity (Cassin, 2008: 113). The operation of StoryRank is a corporate secret, some influencing elements are known, but how exactly it works is unknown to media publishers (Rebillard and Smyrniaos, 2010: 174).

The form of presenting the news devaluates the media outlet brands and it does not transmit to the readers the degree of authority or authenticity of the information and, with time, it can turn the news into a product without differences (Auletta, 2009: 102). The practice of deep-linking sends traffic from Google News focus on one internal webpage instead of the whole website (Carlson 2007: 1022-

1023). The aggregator establishes a rivalry between the news grouped by the user click and elements as a longer fragment and the inclusion of the image increases the possibility that an article is chosen over its competitors (Dellarocas et al., 2015: 1).

Other criticisms include the bias given by a technical factor (Segev, 2008; Bui, 2010; Foster, 2012); the preference and visibility of the news from large, traditional and popular media outlets; the supposed diversity, since many news sources in Google News replicates news agency cables that have already been added (Carlson, 2007: 1025); the perception of reliability despite not producing content, even above the media outlets that provide it (McDuling, 2015); the possible low conversion rate of clicks compared to the time the user keeps navigating the news inventory; the reinforcement of the dominance of United States point of views and the challenge of the right to communication (Segev, 2008), among others more.

5. Google News and news media

In 2004 Google News faced the first of a long chain of conflicts in the United States, European Union, Latin American (Brazil) and Asia (China), some of which are still persisting. Google, regarded as an arrogant company and abuser of its dominant position, has responded, publicly and privately in different ways, signing agreements or maintaining an inflexible position. Such conflicts show the complex and disparate relationship of *friendenemies* (friend/enemies), maintained by Google News and the news media, specifically with the press.

Its detractors argue that it is responsible for copyright infringement, theft or misappropriation of headlines, first lines and photographs, using them without monetary recognition neither licensing such content to the original authors. Besides, it has been accused of attack against quality journalism: the free distribution discourages the user from paying for the news information and breaks the payment wall strategies, as well as leaves the media outlet with all the production costs of the news while the aggregator only assumes the benefits of the distribution. In addition, it has been accused of theft of audience by offering a product similar to a news media but without producing any original content, and instead becoming a reference site for users to come and read the news by accessing through it. Another accuse is the depreciation of the brand of the media outlet, because the user, seeing the news listed together, might not distinguish between one and another news source when deciding which to click.

The grouping of the headlines and first lines make the user feel satisfied about quantity of information, so he/she does not need to click to read the news in its entirety. It negatively affects the advertising revenues of news media when the insert of advertisements next to the news and their content providers do not receive a portion

of the generated profits. Also making Google News the homepage and linking to internal pages of media outlets, the homepage of the latter, where the most expensive advertising is usually located, is devalued to the advertisers. For small news sites, the increase in non-local traffic does not help when advertising is based on local visitors.

To mention some conflicts, in 2004 the Chinese government blocked access to Google News China, so Google eliminated the news sources censored by them. Between 2006 and 2009, Google signed licensing agreements with some news agencies – AFP, AP and others – to close litigation. After legal disputes with Copie-presse and other Belgian media organizations between 2006 and 2011, in 2012 Google signed a cooperation agreement that did not include payment to publishers for aggregate news. In 2006, Danske Medier opposed to Google News Denmark because they disagreed with deep-linking practice and because would not be signed licensing agreements, such edition still does not exist. In 2008, disputes arose with publishers in France, ended in 2013 with the creation of a fund of 60 million euros contributed by Google. Between 2009 and 2010 at least Google News US English edition showed advertising – Google AdWords in search results – that caused great discomfort because there was no sharing of profits. In 2011, the newspapers partners to the Associação Nacional de Jornais (ANJ) opted to voluntarily withdraw from Google News Brazil by failing to reach an agreement with Google. In 2014, Google News Spain was closed down as a result of the conflicts that took place with reformed Spanish intellectual property law that obliged Google to pay the media outlets for content in an irrevocable way.

Google has taken actions in parallel. Since 2010, it has provided funding for scholarships and prizes in the area of digital journalism. In 2014 it signed an agreement with Local Media Consortium (LMC) in the United States for the use of its advertising tools by the local newspapers partners. In 2015, Google launched the Digital News Initiative (DNI), a fund with 150 million euros for several activities with European publishers. In the same year it launched the News Lab, a program to bring Google tools to newsrooms. In addition to mention in speeches and press releases its permanent willingness to help media outlets, particularly the press, these initiatives have been perceived as an effort by the company to improve its relations with the publishers in some geographical areas.

6. Conclusions

This chapter is a contribution to a little researched topic in the area of digital journalism such as news aggregators are: a new scenario to news distribution, and in this particular case, Google News and its economic and social impacts. The discussion provided above has helped to identify five clashes between the *Fourth*

Estate – media outlets – and the *Fifth Estate* – multinational technology companies on the internet:

1. The inevitable technological dependence and its policies of “help” that reinforce it.
2. Distribution of the advertising revenue.
3. Competition for the audience.
4. Irruption of territories.
5. The subtle or explicit influence on public opinion.

Besides, this analysis on Google News shows some reasonable doubts. What appears to imply diversity of sources implies diversity of approaches in information as well or there are only multiple sources that offer same or similar information? Does the availability of news should not be compensated? Are the media outlets transferring their attributes of reliability and credibility to this news aggregator? And what to extent has Google News influence in shaping public opinion?

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Biography

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