Google News favours mainstream media. Even if it pays for Australian content, will local outlets fall further behind?

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Google's role in delivering audiences to news outlets has been under scrutiny of late. The Australian Competition and Consumer Commission's initiative to redirect advertising revenue from Google and Facebook to news publishers has led to threats of a news boycott by both companies.

Australia's news media businesses have faced revenue loss and job cuts for some time now, blaming Google and Facebook for poaching advertising revenue.

But rather than share revenue with the publishers whose content they feature, it seems the tech behemoths would rather remove Australian news content from their platforms altogether. Into this heated debate arrives a new study of Google News search recommendations in the US. The research, published today in Nature Human Behaviour, examines Google News search results across more than 3,000 US counties – evaluating the balance between local and national news outlets in search results on a wide range of topics.

The findings show Google News generally privileges national news outlets over local ones, especially for topics of national interest. This makes it even more difficult for local outlets to compete with their larger national counterparts – but shifting the balance between the two isn't easy.

A handful of winners

In one sense, the research findings merely show Google News is working as advertised: it points readers interested in major issues to leading national outlets. Larger, better-funded media businesses are likely to have more in-depth coverage than local publishers.

Meanwhile, Google News will feature more local content when users search for issues with a local angle. And while the study didn't cover Australia, it probably works similarly here, too.

Nevertheless, the research found the three most prominent national US outlets account for about one-sixth of all search results. This echoes research published last year, which also documented Google News featuring a very narrow range of leading news outlets.

The authors of that study worried this "highly concentrated" set of results was "empowering a handful of prominent outlets and marginalising others", rather than offering a comprehensive range of perspectives on the news.

The 'filter bubble' argument

The two studies mentioned above offer a powerful argument against the persistent (but unsubstantiated) idea that search engines and social media place us in "filter bubbles".

This is the idea that the information we encounter online depends on our personal identities, ideologies and geographical location. If the filter bubbles hypothesis were true, it would indeed threaten to deepen social divides.

But an increasing number of timely studies suggest something different: if there is a filter bubble, we're all in it together.

In other words, when different users search for news on Google, they likely see the same results from the same handful of media outlets – regardless of who and where they are.

Tweaking the results

From this perspective, the uniformity and predominantly national focus of Google News results may even be welcome, as it ensures searchers of all backgrounds have access to a shared stock of information.

At the same time, however, Google's channelling of users towards major national news outlets affects their local competitors' ability to generate advertising revenue. The rich (in readership) get richer (from advertising), while outlets featured less in search results struggle.

In a market already suffering from substantial pandemic-induced downturns, this undermines smaller outlets' ability to survive in the long term. "News deserts" (areas without local news outlets) are growing rapidly in the US and in Australia.

Policy makers might be tempted to arrest this decline by forcing Google News to provide more links to local rather than national news outlets. But even if Google agreed to this, it would come at a cost.

Major national outlets are prominent because local outlets simply can't provide the same comprehensive coverage of non-local issues. Instead, they draw on wire services and syndicated content.

Making Google feature more content from local outlets would direct more revenue towards those news organisations, but could also reduce the quality and diversity of news provided to users. They might end up only seeing local adaptations of content from a small number of wire services.

While this approach might save some local news outlets, it would undermine citizens' understanding of the world around them.

The lion and the mouse

The Australian initiative to make Google (and Facebook) pay for the news they show on their sites could be seen as a more sensible alternative.

Revenue generated from the news media bargaining code could be used to increase the strength and diversity of the domestic news industry, enabling smaller outlets to provide a better range of content for Google News to feature.

But even if Google was willing to share advertising revenue, the devil lies in the detail. If that money was distributed based on current Google News recommendation patterns, major news outlets would receive the lion's share. Local news organisations would still miss out – along with the ABC and SBS, which are not included in the ACCC's proposal.

So it would be good news for News Corp and Nine Entertainment, but not so much for everyone else.

To rebuild Australia's local news industry, the industry heavyweights would have to give up some of their own hard-fought share of the money. But you don't need to consult Google to work out how likely that is.

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