# £2.2 billion: the value of UK news to Google

Methodology

The experiment was conducted between 1st – 8th July 2024. A total of 1484 people from the UK took part in the experiment, split by gender, age (between 18 and 74) and region, with 842 specifically from greater Manchester. Manchester was picked because it is one of the few areas in the UK that we classify as an 'oasis' with a relatively healthy news ecosystem of radio, hyper-local, independent and corporate regional titles with different business models serving communities and strengthening democracy across the city. The existence of this ecosystem allowed us to conduct a thorough experiment with real titles in a real local community.

During the experiment, participants were asked to look for information on two topics, the royal family and local elections. They were shown highly realistic simulations of Google, so it felt like they were making a normal search. They were shown two different versions of search results, one with news media and one without. The online environment where the experiment took place allowed researchers to capture the opinions of users and track their actual behaviour. We can be highly confident about our results because the experiment captured both the participants' 'stated' preferences and their 'revealed' preferences by observing participants' actual behaviour in a seemingly 'real life' environment. This methodology is repeated from a 2023 study on Swiss media by FehrAdvice.

Example Google search for royal family with and without news media:
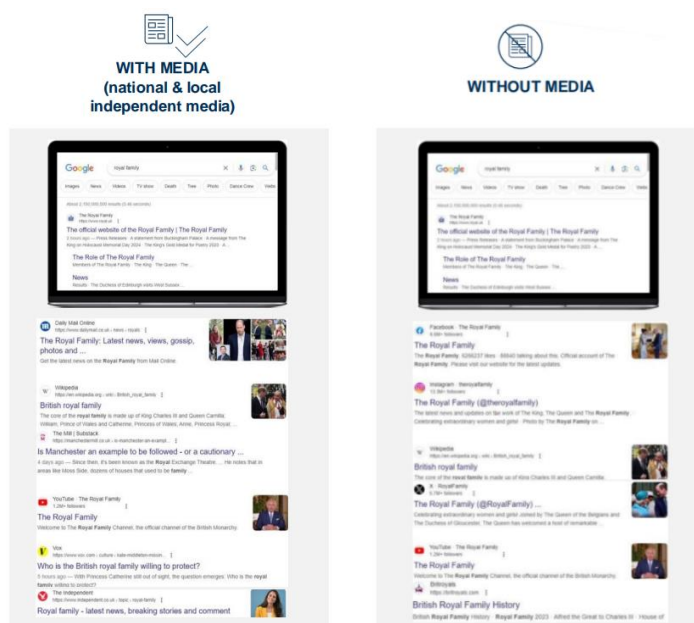
Our research was designed to find out the true value of news in the UK to Google. To answer this question, we set out five hypotheses. We first examined whether most Brits use Google as their first source of information. We then observed participants' search behaviour on the platform with and without media included. We next tested how attractive Google is to users with and without media. Finally, we asked users' explicit preferences and willingness to pay and whether there is a change in participants' future search behaviour.

Hypothesis one: A large proportion of people in the UK use Google to find out about current topics.

Joann et al. found in their 2023 study into the value of Google in Switzerland that there are 12 important needs that users have when they search for information. Quality, relevance and up-to-dateness, speed and ease, trustworthiness, user-friendliness and clear presentation of results were found to be the most important factors.

We found that most people (82 per cent) in the UK use a search engine to find out about current topics. Other sources are used significantly less when searching for information and news. We found that the most important requirement for users when searching for information is trust.

Value	Approval
Trust	93%
Orientation (easy to understand)	89%
Quality	89%
Completeness	87%
Independence (objective)	87%
Actuality (up-to-date)	84%
Diversity and plurality	83%
Relevance	80%
Originality	77%
Regionality	78%
Social cohesion	67%
Serendipity	65%

Hypothesis 2: a large proportion of users remain in the Google ecosystem when news media content is integrated because they can find the answer directly in the Google ecosystem.

Recent studies suggest that a high proportion of people searching for information on Google do not click on linked webpages from content providers. We tested how users interact with search results and other website elements to find out whether people stay in the Google ecosystem or click through to external websites. We found that a large proportion (40 per cent) of users either click on internal Google links or perform no click at all, terminating their search. We found that most users (67 per cent) claim that the headlines in Google results are sufficient for news searches.

Hypothesis 3: a Google without media content is less attractive to users because it is perceived as less high-quality, credible and complete than a Google with media content.

Without news providers, there would be no information for the search engine to provide. To explore this, we asked participants to give a satisfaction score between one and five, based on

the question 'how satisfied are you with the search results displayed'. Surveyed participants who experienced Google with national and local media are statistically more satisfied, giving a score of 4 out of 5 and report a higher success rate in their search for news as compared to participants who experience Google without media, who gave a satisfaction score of 3.9 out of 5.

Results for Google's attractiveness were measured, including the response time, measuring participant's implicit beliefs and therefore their revealed preferences. When measuring revealed preferences about the values participants ranked as most important, Google with media is consistently more attractive. Participants saw almost all the important values as more fulfilled by Google with media.

Revealed Preferences	Without Media	With Media
Trust	8.2	8.3
Orientation (easy to understand)	8.5	8.6
Quality	7.9	7.9
Completeness	7.5	7.8
Independence (objective)	7.7	7.9
Actuality (up-to-date)	7.6	7.6
Diversity and plurality	7.6	7.8
Relevance	7.0	7.5
Originality	7.5	7.6
Regionality	7.5	7.9
Social cohesion	6.7	7.0
Serendipity	6.3	6.3
Overall	7.5	7.7

Hypothesis 4: a Google without media is therefore less likely to be chosen by users and is associated with a lower willingness to pay.

When participants are explicitly asked: which variant of Google search results would you prefer, across the topics of royal family and local elections there is a clear preference for a Google with national and local media content (66 per cent).

We wanted to find out whether there would be a reduction in Google's perceived value if news media were taken away, so we asked participants how much they would be willing to pay per month for Google. We found that the average willingness to pay for Google was significantly lower among participants who saw the version of Google without news media (£3.79) than among participants who saw Google with media (£5.09). Google with news media is therefore worth more than Google without media.

Hypothesis 5: Without media content, Google will suffer long-term damage because customers will migrate away from the Google ecosystem.

When asked to think about their next search, a majority would use Google again for their next search. In the experiment, this doesn't change whether users have experienced Google with or without media. 57 per cent of participants would still use Google for their next search, despite the clear preference for Google with media. However, the satisfaction with the search

experience mediates this result. If satisfaction and success were low, a large proportion of users migrate away. Out of the 27-30% of people that were unsatisfied with their first search, a large proportion migrates away from Google or stops the search altogether. As more people are dissatisfied with the search results, if no media content is integrated, Google loses more users.

Conclusion: news media makes a significant contribution to the success of the Google ecosystem

We can conclude that the proceeds from information searches should be shared fairly. The contribution of the media to the digital ecosystems of the tech giants can be financially evaluated using the example of Google.

Google generates almost £16.708 billion in annual revenue from search engine advertising in the UK (92.5% market share). Approximately 55% of searches are information searches. These are searches where people are looking for news or information content, as opposed to navigational or product searches. Navigational searches are where users, for example, type 'facebook' into the Google search engine to navigate to facebook.com. Product searches are generally for items users are looking to buy, for example, typing 'buy new smart TV 4k HD' to look for a television. Information searches generate just under £8.5 billion in revenue.

Our research showed that 66 per cent of people prefer Google WITH news media. Therefore, the inclusion of news media contributes positively to information searches 66% of the time. Google therefore generates around £5.6 billion in revenue annually with the help of media content.

Google exploits its monopoly position and shows no willingness to share this revenue. Other market participants who want to penetrate this segment, as well as Google in a more competitive environment (e.g. AdSense), share the ecosystem's revenues at a ratio of anything between 32% and 60% (Microsoft). In the AdSense analogy, the industry-standard division is between 32% and 49%, giving an average share of 40%. This is why, in our model, we propose a 60:40 split between Google and news publishers.

Key results from the online experiment

➔ 82 per cent of the UK population primarily use search engines to search for information.
➔ When searching for news online, the headlines provide enough information for 67% of UK users. They stay within Google and don't generate traffic for news media outlets.
➔ Users are more successful with their Google search and perceive Google as more attractive when national and local news media content is integrated.
➔ 66% of people prefer a Google WITH national and local media content to one WITHOUT media content.
➔ When people experience a Google WITHOUT media content just once, and do not find what they search for, they migrate away from Google compared to if people experience Google WITH media.
➔ Media content contributes significantly to the attractiveness of Google – but this added value is currently not compensated. Based on an industry-standard division of this value creation, the news media would be entitled to at least £2.2 billion in 2023 alone.